

The Life of Football Factory Workers in Thailand

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Introduction:

This is a study of two football producers, Mikasa Industries (Thailand) and Molten Thailand. Both are Japanese investment companies and produce footballs, volleyballs and basketballs for export. Both companies are located in the eastern seaboard industrial zones, less than 30 kilometers away from each other. The eastern seaboard area contains over 40% of the industrial zones in Thailand. This region is notorious for violent repression of workers and union organizing

Molten Thailand is producing for Adidas, and its balls are used in the 2006 World Cup. Mikasa Industries is producing for their own brand, "Mikasa." The workers in Mikasa Thailand, in operation since 5 years, have successfully organized a union. In the Molten Thailand factory, in operation for over 18 years, there is no union. Both companies employ regular workers as well as subcontract workers, working in the same line of production but under difference wages and welfare.

For this study TLC has had intensive discussions in april and may of this year with workers from both factories (subcontract workers as well as regular workers) and also with the union representatives at Mikasa. All information comes from worker interviews.

This study focuses on the basic wages of the workers and their ability to cover the most basic expenses of daily life. It also looks at freedom of association, asking the union representatives at Mikasa what the conditions are in which they operate, and the Molten workers about the situation with respect to trade union rights in their factory.

TLC hopes that this report will help to improve the situation in these factories with respect to wages and freedom of association. TLC wishes to stress that these factories are no worse then others in the area, and in some aspects may compare favorably. For example on occupational health and safety, and also Molten offers long term contracts for regular workers. At the same time, as you can read below, even after working for 18 years producing footballs, a Thai woman worker can only pay for very basic necessities and a new worker will

¹ In order to write this report, I owe much to many people. Firstly, all of the dedicated union organizers at the Eastern Seaboard, namely Sema Suubsakul, Jalan Klomkhuntod, Secondly, strong and dedicated union leaders in the Eastern Seaboard industrial zones, especially Bunyuen Sukmai, the Molten Asia union committee members, the Mikasa Union committee members and finally, all the workers of Molten Thailand, Molten Asia, and Mikasa companies.

make only half of her money, and can not live in dignity.² These are the workers making the most famous football that millions of people watch today. Since the last year Molten has been working only for Adidas. Workers at both Molten and Mikasa tell about a climate of repression, where workers are afraid to exercise their trade union rights. Mikasa union leaders suffer strong harassment, and management is conducting an active union busting campaign.

Together with international partners CCC, Oxfam and Global Unions TLC has been pushing sportswear brands for many years now to implement their code of conduct. Adidas has named its ball “Teamgeist” which means Team Spirit. On the occasions of the World championship TLC calls upon Adidas to act in true team spirit and meet the call from Thai workers and from international partners like CCC, Oxfam and Global Unions: pay workers a wage that allows them to live in dignity, and take positive action to ensure respect for trade union rights.

Overall picture:

The minimum wage in Thailand ranges across 17 levels from 140 to 184 baht per day. In Chonburi province, in the eastern seaboard area, new workers (less than one year employed) at Mikasa and Molten earn as little as 173 per day (Euro 3.53 or USD 4.36).

What do you think a Thai worker can get for 200 baht (Euro 4 or USD 6)?

To see how far this daily wage could go, I gave a football factory worker 200 baht and we went to the local market to buy food. We bought a kilogram of local seasonal fruit (45 baht), a pack of seasonal dessert – sticky rice and mango (20 baht), rice and two dishes (25 baht), and 600 grams of grapes (110 baht). All 200 baht has gone just for that and we hadn’t bought breakfast yet. Milk, coffee, chicken rice, sticky rice and salted pork cost another 40 baht.

Based on the minimum wage of 173 Baht, this small amount of food left us a deficit of 67 baht. This amounts to 42% of the daily minimum wage in Chonburi.

² On February 17, 2006, an article appeared in the German magazine Stern about workers’ wages at Molten. The workers interviewed also confirm they make the minimum wage or slightly more (following overtime), and most is spend on basic necessities like food and housing. To our knowledge, adidas did not respond to the article, and as this research shows the situation did not improve in the months following the Stern article.

Molten Thailand

Background:

*We want a union, but we have witnessed workers who challenged the management disappeared and lose their jobs. We know that management does not like unions and will not be happy if we organize a union.*³

The World Cup Ball

Adidas, the World Cup ball supplier, tasked Molten (Thailand), a joint Japanese/Thai venture, with the job. These two firms have a track record of contracting in Thailand for over 10 years. The particular model – the very football that the game’s crème de la crème will kick about during the planet’s most popular sporting event – is called *Teamgeist*, or “team spirit.”

Approximately 1,000 Thais, most of them women, are assembling the Teamgeist in a Sri Racha plant – a factory with an unassuming exterior that belies the importance of the work that goes on inside...“The workers are excited because the whole world will see what we did,” says Lisa Saengkaewkerd, an Adidas operations manager. A tour of the factory reveals groups of Thai women studiously going about their jobs – cutting panels and foam pieces, stitching together the bladders, and applying sealant to their exterior.

While the Teamgeist is assembled in Thailand, its production is truly a global effort, with the Sri Racha workers putting the finishing touches on an international collaboration: the model was designed in Germany, its components come from India (where they make the ball’s valve), South Korea (which produces its artificial leather), and Vietnam (where the ball’s inner cotton sheath is constructed).

The Teamgeist, when finished, is a delight to behold, a product as aesthetically appealing as it is functionally sound. Its white background is accented with black figure-eights fringed in gold. This advanced technology and stringent testing doesn’t come cheap: the official game ball retails for US\$125 abroad – although the price in Thailand is considerably cheaper, at 2,800 Baht.

Source: <http://www.ihthaiday.com/IHT/ViewNews.aspx?NewsID=9490000070837>

Molten Thailand is a subsidiary of the Japanese Molten Group. The company is a joint venture between Molten Group and the Sahaphathana Inter-Holding Public Company and its subsidiaries. Sahaphathana Inter-Holding manages the Sahapat Industrial Zone in Sri Racha, where the factory is located.

According to the workers being interviewed, the company directly employs over 1,000 workers. An additional 300 workers are employed through a subcontracting firm. Workers report number is on the rise. The regular workers and subcontracting workers are treated differently.

³ From a discussion with Molten Thailand workers, May 8, 2006.



Photo: Joern Klare

For example, among four workers interviewed, two are senior workers who have been employed at the factory since it was established 18 years ago. They are enjoying a number of benefits such as uniforms, and bonuses equivalent of 2.5 months of salary. However, the other two workers are subcontracted, earning just minimum wages with no other benefits or welfare. Besides, they have to buy their own uniforms. Subcontracted workers have to buy uniform shirts for 110 baht, and a 45 baht cap.

Both regular workers and subcontracted workers are under a heavily disciplinary policy. If they forget to punch their time card or are late to work for even one minute, their incentive money for that month will be cut.

Because subcontracted workers do not enjoy the same benefits and welfare as regular workers, there is a high turn over

rate.

Working hours:

Morning shift is from 7.30 – 19.35 (8 hrs + 2 hours OT)

Night shift is 6.30 PM - 05.30 AM (8 hrs + 2 hours OT)

These working hours are compulsory.

Welfare for regular workers:	
Transportation subsidy	10 baht/day
Incentive money	300-400 baht/month
Annual leave	6 days (legal minimum)
Business leaves	4 days with pays
Sick leave	4 days with pays
Bonus	2.5 months
Uniforms	2 shirts/year
Social welfare system	government system by law
Providence fund	data unavailable

Food:

List of the most common foods that football workers eat with prices in Thai Baht.⁴

<u>Breakfast</u>	<u>Cost</u>
One pack of milk/Soya mill	10
-or-	
Rice topped with meat	20
-or-	
Sticky rice with few pieces of salted pork	15
A coffee	10
Subtotal	20-30
<u>Lunch</u>	
One bowl of noodle	20
-or-	
Rice topped with meat	15
Subtotal	15-20
<u>Dinner</u>	
Somtorn (papaya salad)	15
Spicy soup	15
Fried vegetable	15
Rice	5
Subtotal	50
<u>Fruit</u>	
1 kilo of oranges	30
Total	115-130 Baht
Monthly Total (30 days)	3,450 - 3,900 Baht

Other Monthly Expenses (baht):

Accommodation	
Rent 3,500 baht (shared with 4 other friends)	800
Electricity and water	100 – 200
Transportation to factory (30 baht a day)	780
Personal needs	700 - 1,000
Remittances for a child	1,500-2,000
Total	3,880 - 4780

Grand Total of Basic Monthly Needs 7,310 – 8,680 Baht

⁴ From an interview with four Molten Thailand employees including subcontracted workers and senior workers with 18 years of experience in the factory.

Monthly wages are 4,500 baht (173 baht / 26 days) for subcontracted workers and 9,700 baht for the most senior production workers.

Just three basic meals per day comprise 77% of the subcontractors' wages and 36% of most senior production workers' wages.

List of ten foods they would most like to eat if they could afford it:

1. Prawn BBQ
2. Squid BBQ
3. Beef BBQ
4. Spicy Hot Pot
5. Pork BBQ
6. Beef Steak
7. Durian
8. Chicken BBQ
9. Grilled Baby Pork
10. Watermelon

The basic salary that football factory workers in both Molten and Mikasa (and elsewhere in Thailand) receive when they join the factory is far below an adequate living wage. For new workers, wages are just 4,500 baht per month (USD 118, Euro 94).⁵ This forces them to do a lot of overtime to meet basic needs per the calculation above. The union president at Mikasa has been there for 4 years, and earns 6,000 baht per month. (USD 157, Euro 125). The workers at Molten with 18 years on the job are earning a maximum salary of 9,700 baht including bonuses (USD 255, Euro 202). Just to satisfy basic food needs, workers in the football industry in Thailand must spend 36-77% of their salary. This leaves little to meet the most basic expenses. They can only afford to live in shared accommodation, with minimal facilities. **What happens if they want to take out a mortgage? What if they want to buy a motorcycle, TV, or CD player? What if they get sick?**

When calculating basic expenses, the workers' base wage is already leaves them with a deficit. This is the reason why workers need to work extensive over time. Minimum wage is simply not enough to cover the most basic necessities in their life. **What happened if they have one or two children?**

Violence Against Unionists at Molten Asia Polymer Products

The Eastern Seaboard Industrial area is well-known for its strong repression of trade union rights, including direct acts of violence against trade union leaders. As an example we describe here below the situation at another company that is part of Molten Thailand, Molten Asia Polymer Products was built on Molten Thailand profits in 1995. The company produces auto parts made from rubbers and plastics and is located in the same industrial zone.

⁵ Exchange rate approximately 38 baht/1USD and 48 baht/1 Euro

The union was successfully organized in early 2004.⁶ The company never negotiated in good faith with the union. In February 2005, the workers were on strike and the company locked them out for 9 days. Only after a month-long strike was a settlement reached.

In March 2006, to the surprise of the union committee and members, the union secretary was beaten up in front of his girlfriend by two men who followed them in a car. The police failed to find the assailants. Early on 6 May 2006, the Molten union president was followed by a car after finishing his night shift at the factory. Only 200 - 300 meters from the factory, he was shot at twice. Fortunately, the bullets missed him, striking the car doors and shattering the windows. Because of the shock and stress, the union president is now on a 50-day retreat at a monastery.⁷

This was among the most serious incidents to happen to the union leaders in the Eastern Seaboard zones, where over 70 unions have been successfully organized. While the company has not been linked to the crimes, these crimes chill union activity throughout the area. Molten was the first successfully organized union following the shooting of another worker leader in the Sahapat Industrial Zone many years before.

The Eastern Seaboard Zones' union leadership had serious discussions with the management of Molten Asia Polymers Products about the incident. They have denied any involvement in the incident, but promised to do whatever they could to prevent the violence from happening again.

The union secretary reports that after these incidents happened to him and the president, the workers became angry. Instead of leaving the union in fear, more workers have joined the membership as a display of unity.

The union reports that management recently is indeed starting to seek more cooperation with the union, and they are optimistic that things will improve. However the president is still in the monastery to recover from being shot.

⁶ Sahapat Industrial Zone, where the Molten factories are sited, is a privately owned and managed enterprise established in 1974. In 2004, the workers of Molten Asia Polymer Products became the first to successfully organize a union in the zones' thirty-year history.

⁷ I was honored to be invited to attend the union's monthly meeting. This meeting happened to be the day after the union president was shot at in the attempted assassination. Driving nearly 100 kilometers from Bangkok in the early morning to attend their meeting. Upon arrival, it was a real shock to me to be told about the incident, and to see the anger and frustration of the union committee, and devastation of the union president's car. He was very quiet though, trying to stay calm despite not slept. He was brave. I could see that the president was moved by the strong support of the union committee who held a solidarity ceremony for him the next day before entering the factories. Many members gave the president roses. We did as well. At the time of this writing, no one has been arrested for the crime.

The Molten Thailand workers have shown their heartfelt interest in the Molten Asia Polymer Products union and praise the leadership for their courage and strength in successfully organizing the union. Given this context, it is not surprising that the workers at Molten Thailand are afraid to organize. Workers report that those who have wanted to organized a union, or to stand up for their rights have been dismissed or disappeared from the job. In this atmosphere of repression, they are afraid to even utter the word "union." Sportswear companies be pro-active to create an atmosphere where workers can freely exercise their rights.

As the report on Mikasa below will show, also where the workers manage to organize and create some improvement in their situation, they are then faced with attempts from management to bust them.

Mikasa Thailand

Mikasa. It all starts with the ball.

In 1917, where was everyone else?

Before there was a cross-trainer, instant replay or endorsement deals, Mikasa Sports has been creating and perfecting the most important part of the game: the ball. It all started in Hiroshima, Japan over 89 years ago. We set the standard before there was one, and never lost the thing that makes all sports great. Passion!

In 1973 Mikasa arrived in California to set up headquarters where it could better satisfy the demand of North American athletes. True to our roots, we established our reputation in volleyball. But we didn't stop there. We took this same drive and passion and applied it to basketball, soccer, football, water polo, rugby, tetherballs, kickballs, dodgeballs, and playground balls. While we made great inroads in both professional and Olympic sports, we never forgot the place where all sports began: the playground.

While the rules of the game haven't changed much, the athletes, coaches, arenas, and fans sure have. Athletes are faster, strategies more complex, stadiums have become monuments and fans more demanding. Competition has been raised to a whole new level and every athlete has come to expect the best. Every sport revolves around one thing: the ball.

We understand the passion and inspiration it takes to be an athlete, no matter what level. We feel the same way about our athletic game balls. We put that same passion and inspiration, coupled with the best technology, into every ball we make. The balls we make roll off the production line as close to perfection as possible. It's the only way we know how to make a ball.

Mikasa. It all starts with the ball.

Source: <http://www.mikasasports.com/about/mikasa-history.php>

Mikasa Thailand, one of the leading producers of footballs and balls in Asia, manufactures for their own brand “Mikasa.” The company is relatively young (five years) compared to the Molten Thailand.

There were approximately 200 regular workers and 200 subcontracted workers at Mikasa Thailand at the time of the interviews, about two months ago. The union committee reported that a number of workers cannot tolerate pressure under new management team and resigned starting since early this year, only in the last two months 30 or 40 workers resigned. The current numbers seem to be closer to be just 160 regular workers and 200 subcontracted. Mikasa also reportedly is contracting out work to other factories (interestingly known among the workers as predominantly Adidas suppliers).

The union was formed just over two years ago. However, within these two years it is clear that **the union makes a difference.**

Welfare and Benefits at Mikasa

Benefit	2002 (pre-union)	2004 (1 st union CBA)	2005 (2 nd union CBA)
Incentive (monthly)	200-300-400 (3 levels)	200-300-400	400
Rent subsidy	-	500	700
Target money	400	400-700	400-800
Food subsidy	20 (regular hours) 50 (during OT)	20 (regular hours) 50 (during OT)	20 (regular hours) 50 (during OT)
Food subsidy – working on holiday (daily)	20 baht/day	20 baht/day	25 baht/day
Transportation to/from work	Only to some area	To every area	To every area
Petrol	500	Provide transport	Provide transport
Providence fund	None	None	3%
Shift fee	None	None	40-60 baht/day
Bonus	2 months	2 months + 1,000 baht	2.5 months + 2,000 baht
Wage increase structure	3%	4%	5%+200
Unused annual holiday	Use in the following year	Compensated by money	Compensated by money

Source: Mikasa Workers Union committee and members.

The Union Makes a Difference!

It is clear that when there is a union, workers' welfare and rights are significantly improved, at least for the regular workers. The Mikasa workers union has tried to organize the subcontract workers, but this has proven very difficult (management immediately dismisses them). The Mikasa Workers Union has been actively

conducting CBA negotiations and demanding improved wages and benefits from the start. However, the union committee and strong members are facing serious union busting retaliation. After the company failed to win court approval to sack the union president, she was isolated from other employees in a corner behind a partition. A cardboard sign says, “no entry without permission.” Additionally, during the whole month of May, she including three union committee and two members was under management orders to take leave with pay.

The union has also filed court cases regarding at least 11 workers who were dismissed for organizing (including a number of subcontract workers). Under heavy monitoring by management, it is impossible for the union committee to conduct any education or meetings with their members in the workplace.

The management has given each union member union resignation forms, pressuring them to withdraw from the union. Many have feared for their jobs, and under pressure, have resigned from the union.

One of the strongest members, a 28-year old pregnant woman, with heavy work despite her condition. She suffered a miscarriage and heavy bleeding in the factory. Management refused twice to take her to a hospital, and she was left bleeding for four hours. Nearly unconscious, she was finally taken to a hospital by a friend after working hours.

All these stories make a very clearly picture of union-busting. Mikasa management urgently needs to take steps to end this repression, and ensure the union can operate freely.

TLC urges adidas, Molten and Mikasa to directly discuss with Thai workers, unions and labour groups what positive action can be taken to ensure respect for freedom of association.

Adidas, Molten and Mikasa should also meet the call from Thai workers and from international partners like CCC, Oxfam and Global Unions: pay workers a wage that allows them to live in dignity.

41 years old (18 years of working) Molten Thailand		Subcontract workers (Less than a year) 23 years old Molten Thailand		A foot ball workers (2 years) in the unionized factory Mikasa	
<i>Working condition</i>	<i>Normal practices</i>	<i>Working condition</i>	<i>Foods</i>	<i>Working condition</i>	<i>foods</i>
Salary and welfare <ul style="list-style-type: none"> ▪ 9,700 baht salary ▪ Including OT she receives monthly about 13,000 baht (including OT) 	Breakfasts <ul style="list-style-type: none"> ▪ 1 can of milk (10 ?) ▪ Rice and topping (15 ?) <p>Overwhelm Total about 25 ?</p>	Salary and welfare <ul style="list-style-type: none"> - minimum wage 173 baht/day (4500 baht/month) - need lots of OT - no other welfare 	Breakfast <ul style="list-style-type: none"> ▪ Rice and topping (15 ?) ▪ Not enough but have to eat only one plate <p>Total 15 Baht</p>	Salary and Welfare (see chart of Mikasa welfare for detail) <ul style="list-style-type: none"> ▪ Salary 5,300 baht/month ▪ Including OT will be about 7,000-8,000 baht 	<ul style="list-style-type: none"> ▪ 1 can of milk (10 ?) ▪ Or sticky rice with fried pork (10 ?) ▪ One coffee (10?) <p>Total: 20 baht</p>
Expenses	Lunch <ul style="list-style-type: none"> ▪ Rice and topping or sometime noodle (15-20 ?) ▪ Coffee 6 ? ▪ Fruit 20 ? <p>Total: 41-46 ?</p>	Expenses: <ul style="list-style-type: none"> ▪ Buying uniform 4 set a year (240 baht x 4 shirts) ▪ Paying for transport 30 baht/day ▪ Rent 800 Baht 	Lunch <ul style="list-style-type: none"> ▪ Rice and topping or sometime noodle (15-20 ?) ▪ Desert 10 baht <p>Total: 25-30 baht</p>	Expenses: <p>Rent: 1,800 baht/month (including electricity and water)</p>	Lunch <ul style="list-style-type: none"> ▪ Rice and topping or sometime noodle (15-20 ?) ▪ Free rice <p>Total: 15-20 baht</p>
	Dinner Cooked foods from market eating with		Dinner Buying food to eat with friends 30 baht		Dinner Buying cooked food to eat 30 ?

	husband and friends 50?				
Total Food	116-121		65-70 baht		60-65 baht
Transport to factory 20 baht/day		Transport to factory 20 baht/day			
Rent share with 5 prs, 800 baht each for month		Rent share with 5 prs, 800 baht each for month			
Electricity's and water 100-150 baht/month		Electricity's and water 100-150 baht/month			
Basic personal need 800 baht		Basic personal need 700 baht		Basic personal need 800 baht	
Family condition/family expenses		Family condition/family expenses		Family condition/family expenses	
One child (stay with mother in the home town province about 600 kms away) - Child education 3,000 baht a month		One child (stay with mother in the home town province about 600 kms away) Child education 1,500 baht/month		One Child 2,000 baht/month (stay with mother in the hometown province about 200 kms away)	
- Sending to mother who looks after the child 1000 baht				Credit card loan 32,000 baht	

per month					
- education 1,000 baht per semester					
- Personal glossaries 700 baht					
-					
- She is Indebted for 120,000 baht					

Source: This information was collected from many workers through direct interviews in person and over many phone calls with to the workers in their dormitories and rented houses from March to June 2006.

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