

Book Review

Freeman, Nick J. (2019). *Whither Myanmar's Garment Sector?* Singapore: ISEAS Yusof Ishak Institute.

Nick Freeman's latest offering titled- *Whither Myanmar's Garment Sector?* provides interesting insights into the dynamics of Myanmar's garment sector by focusing on its growth and challenges to ensure its survival. This is examined in the context of a possible suspension of European Union's Generalized Scheme of Preferences (GSP) status for Myanmar in the wake of growing concern by the latter over the former's human rights violation in Rakhine, Kachin and Shan States. This has implications in terms of labor rights affecting the country's garment industry.

The book has three broad sections. It analyzes EU's threat to suspend its GSP preferences and how this potentially has an impact on Myanmar's garment's industry; additionally it discusses global trends in the sector and the challenges faced by the garment industry in Myanmar.

The role of EU to bring political transition, democratic and economic reform with peace building efforts in Myanmar has been significant. Specially, EU's trade preferences under its Everything But Arms (EBA) scheme, allows Myanmar duty free and quota free access to its EU market. This special economic treatment has had undoubtedly boosted Myanmar's economic growth.

In 2017, Myanmar exported 1.5 billion euros (US\$1.7 billion) worth of goods to EU, about nine times that of its exports in 2011, of which sewn products accounted for 72% of its exports. It is without doubt Myanmar's garment industry can substantially contribute to its economic growth and generate substantial employment for its people particularly its women and in addition to attracting foreign investment from China and South Korea in particular. The commonly operated cut-make-pack (CMP) mode of production in Myanmar's garment industry generally offers wafer-thin profit margin with intense price competition. Hence, the garment sector is subjected to whims of foreign policymakers and their ability to provide trade preferences in the highly competitive global market. Freeman opined the prospect of losing GSP benefits would place Myanmar's garment industry "at a distinct competitive disadvantage with rivals producing garments for the EU market that are also part of the EBA scheme" such as Bangladesh, Cambodia and several African countries. However, he argued, "The current CMP/CMT model is certainly better than having no garment sector at all".

The global competition for garment market is very complex. Factors, such as wage rates and cost competitiveness, skills and efficiency of workers and meeting the demand on time, are crucial to ensure a competitive edge for the nation. Myanmar's 168th position in the component for trading across border, according to the recent iteration of World Bank's Doing Business Survey (2019) and 137th ranking in world bank's Logistics Performances Index (2018) do not indicate a good prospect for the garment industry in Myanmar amidst its relatively better ranked neighboring countries. Consumerism has a vital role in indicating the status of garment industry. It is a luxury based sector and increasingly discerning consumers are concerned about human rights and environmental sustainability factors, social and ethical

considerations among others in determining their purchase decision. Therefore Freeman asserted the cottage industry has come up with international and human rights compliant standards and certification for its garments sectors, specially assuring global buyers and consumers about items being ethically sourced and competent and that meet international labor requirements and standards. Freeman contended foreign investment can 'save' the dwindling garment industry in the country if its players adopt a long term strategic approach.

The Rohingya refugee crisis and subsequent decision by the EU to suspend its GSP advantages in the backdrop of its trade policy focusing on human and labor rights will unfavorably affect those employed by the Myanmar garment industry. This is unfortunate as the workers have no influence over the Rohingya 'genocide'. At the same time, foreign-owned garment firms may likely to move out of Myanmar due to its GSP suspension. Freeman further noted "this does not seem like a sustainable platform on which to develop a robust and vibrant garment and textile sector in Myanmar". Whether or not the EU decides to withdraw its GSP status conferred on the country, Myanmar's garment sector must address its challenges and they can only be tackled effectively if its policymakers and garment industry leaders collaborate to devise a strategic plan that responds to global trends on the sector's sustainability as well as securing the rights of its garment workers.

Freeman also cautioned if the prevailing situation surrounding the Rohingya did not improve "then development partners, international buyers and retail customers alike may conclude that clothing with a 'Made in Myanmar' tag is just too toxic and should be avoided".

Freeman drew his insights based on various national and International reports and secondary sources complete with latest facts and figures. This book is an appreciable reference in the contours of recurring debate on the nexus between human, labor and trade rights in the context of Myanmar.

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