



Safeguarding labour in distant factories: Health and safety governance in an electronics global production network

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ABSTRACT

One of the many concerns over workers in the electronics industry is their health and safety conditions in factories. Lead firms in the electronics industry use a variety of self-regulatory private standards and codes of conduct to govern health and safety in factories of their suppliers. Global suppliers in turn implement these private measures within their firms which include manufacturing sites located in distant locations. How these health and safety governance systems are implemented across borders in the electronics industry GPN is the focus of this paper.

The discussion and analysis connects the GPN framework with the governmentality literature to understand how private governance systems are implemented from a micro lens of day to day actions of health and safety managers. It aims to show how the self regulatory nature of standards and codes of conduct produce self-disciplinary effects on safety and health managers which enables the spread of corporate led governance programmes throughout a global industry. The analysis is based on a case study of printed circuit board manufacturing sites of suppliers to Hewlett Packard located in Penang, Malaysia.

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1. Introduction

Brand firms in the electronics industry have increasingly come under pressure to improve the conditions for workers in their global production networks (GPNs). Lead firms such as Hewlett Packard (HP) have responded by requiring its suppliers to implement private standards and an industry code of conduct. Governance over labour conditions is a key area of research in the GPN literature (Coe et al., 2008; Posthuma and Nathan, 2010). While much of the GPN research on labour governance aims to understand whether private codes and standards lead to improved worker conditions in developing countries (see Barrientos and Smith, 2007; De Neve, 2009; Nadvi, 2008), there has been less attention paid to how specific standards, for example on health and safety, are implemented in the everyday practices of managers such as safety and health officers. Doing so requires a greater focus on the intra-firm level of power relations between actors engaged in governance activities. In a global firm it would require examining the actions between firm headquarters (which set and enforce governance measures) and manufacturing sites (that receive and implement the governance measures) in distant locations. Such an analytical lens requires a perspective on power that can capture the micro day to day relations and actions at the intra-firm and managerial level, which the governmentality literature provides. The under-

standing of governance and power using a governmentality perspective is rare in the GPN literature, which according to Hess (2008), may be due to the lack of analysing the relations inside a firm. This study therefore aims to partially fill this gap in the GPN literature on governance.

Linking the governmentality perspective and the GPN framework, this paper examines how worker health and safety conditions are governed at five different manufacturing sites of suppliers to HP in Penang, Malaysia. The manufacturing sites examined in this case study are engaged in the production of printed circuit boards (PCBs). PCBs are essential components for electronics devices. Components such as semiconductor chips and capacitors are secured on PCBs in order to establish electrical connections between them. PCB production is one of the more hazardous activities in the electronics industry (LaDou, 2006). According to LaDou (2006) workers in PCB manufacturing and assembly factories can be exposed to toxic metals, solvents, acids and other hazardous chemicals. Some of these include glycol ether solvents, formaldehyde, dimethylformamide, brominated flame retardants and lead. These chemicals are reproductive toxins, toxic to many organ systems and human carcinogens. Thus, proper health and safety practices are of key importance to the manufacturing sites analysed in this research.

The focus of analysis is on the day to day governance activities of managers known as safety and health officers (SHOs) at the manufacturing sites and their relations with their headquarter counterparts and factory workers. Based on findings from

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fieldwork research, the analysis shows SHOs functioning not only as governors over the health and safety of workers at the manufacturing sites but also as objects to be governed themselves as they implement self-regulatory measures and relay information to headquarters. The ability to implement governance systems across borders is made possible through the heavy documentation processes of reporting, self-monitoring and auditing that, while able to communicate and simplify complex health and safety risks on paper, leaves little knowledge of the actual health conditions of workers in factories – thereby questioning the usefulness of the governmentality techniques in safeguarding workers. Further, the embeddedness of these firms in a self-regulatory mode of governance is supported by a wider context of a self-governing regulatory environment and contestation within the domain of a self-regulatory industry wide code of conduct.

The remainder of the paper proceeds as follows. After detailing the methodology conducted for this research, I will discuss the conceptual framework for understanding GPN governance using a governmentality perspective. Using this framework in the following section I discuss my empirical findings of the governance activities undertaken by SHOs at the Penang manufacturing sites and the key findings of a micro politics of day to day health and safety governance processes. Next, I will discuss the ways in which the self-regulatory governance approach within firms is supported by a wider context of self-regulatory government regulation on occupational safety and health in Malaysia and a self-regulatory electronics industry wide code of conduct that was a key outcome of external pressure on firms and is a key platform for continued pressure for improvements by civil society organisations (CSOs) and trade unions. In the final section, I conclude the paper by presenting the insights a governmentality perspective can bring to understanding the intra firm relations of GPN governance.

2. Methodology

This paper draws on findings from semi-structured interviews conducted during fieldwork for a larger PhD research project in 2008 and 2010. Respondents included a global manager on supply chain responsibility at HP, a corporate responsibility (CR) director at the headquarters of a large first tier supplier to HP located in Western Europe (HQsupplier), SHOs from five different manufacturing sites (MS A–E) in Penang that were suppliers to HP,¹ Malaysian government officials, representatives from fourteen global and Malaysian CSOs, a Malaysian trade union, and an international trade union federation, and a private occupational health doctor and journalist in Penang.

Questions to the HP manager focused on the type of governance system the brand firm had in place for its suppliers, industry responses to governance challenges, and engagements with CSOs and governments. The interview with the CR director of HQsupplier provided a detailed headquarter perspective of the challenges faced in implementing corporate social responsibility (CSR) obligations internally and at manufacturing sites. The interviews with SHOs in Penang focused on what they considered were health and safety issues at the workplace, how they were governed, how external actors such as government agencies and CSOs affected their governance practices, and their thoughts on the efficacy, benefits and challenges of the governance measures they implemented.

Interviews with Malaysian government agencies in Penang aimed at understanding the level of regulatory oversight over health and safety, and their perception of health and safety risks

in the electronics industry. The respondents included officials at the Department of Occupational Safety and Health (DOSH) and National Institute of Occupational Safety and Health (NIOSH), and an occupational health doctor in the Ministry of Health.

Interviews with representatives from CSOs from Western Europe and the United States and an international trade union federation were members of the GoodElectronics Network (GEN). GEN is an international network of CSOs, trade unions, academics and individuals concerned with human rights, labour rights and environmental impacts related to the electronics industry. All respondents were actively engaged in or campaigning the electronics industry. The interviews focused on CSO campaigns and the broader context of engagements with electronic firms, and the governance relations and challenges within the electronics industry. Respondents from non-firm, non-governmental actors in Malaysia included two CSOs (one was a GEN member), a representative from the Malaysian branch of an international trade union federation (a GEN member), a local union in Penang, and a labour activist that has worked for many years raising awareness of health risks of female workers in the electronics industry in Malaysia. All of the Malaysian respondents had worked on labour conditions in the electronics industry in the country since the 1980s. The occupational health doctor in Penang was working as a consultant on occupational health issues for several electronic firms, and the Penang journalist was knowledgeable about the politics of industry and regulation in the local context.

3. Governmentality and governance of global production networks

In the GPN literature, governance and power are key areas of research focus (Coe, 2011). According to Hess (2008), various concepts of power can be used to understand governance in GPNs. For example, GPN researchers have used the structural concept of ‘power over’ to understand the market and economic powers of lead firms and relational ‘power to’ with regards to collective powers of weaker agents and actors such as small and medium sized enterprises and CSOs (see Barrientos and Smith, 2007; Rutherford and Holmes, 2008). The use of the concept of power as a ‘technology’ from the governmentality literature, however, is less common, which may be due to the lack of analytical focus on what goes on inside a firm (Hess, 2008).

Power as ‘technology’ arises from the Foucauldian governmentality literature, which sees power as being immanent, organic, dispersed and net-like (Allen, 2003; Lukes, 1986). Foucault (1991) used the term ‘governmentality’ to describe a change in the art of government exercised by the state from one that focused on a ‘Machiavellian’ territorial rule of force and laws to a form preoccupied with bringing about desired changes to its population or society indirectly through the use of ‘techniques’. Techniques are used to direct the conduct of the population and its human subjects by making its social and economic properties known to the governor. Techniques not only make domains governable but are also in line with a particular rationale of government or governance (Foucault, 1991; Barry et al., 1996; Hindess, 1996). The contemporary study of governmentality techniques has focused on their manifestations within a neoliberal rationality of government. Under neoliberalism, while the state has slowly removed its involvement in the conduct of individuals’ lives a host of non-state authorities, organisational forms and techniques have arisen in its place to direct societal conduct (Barry et al., 1996; Hindess, 1996; Lemke, 2002; Rose, 1999). As Lemke (2002, p. 58) noted on neoliberalism:

¹ All suppliers were multinational corporations (four headquartered in the United States and one in Singapore) and were included in a list of the top 100 suppliers to HP in 2008. The list can be accessed at http://www.hp.com/hpinfo/globalcitizenship/environment/supplychain/supplier_list.pdf.

“What we observe today is not a diminishment or reduction of state sovereignty and planning capacities but a displacement from formal to informal techniques of government and the

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