

# **Transnational Influences on the 'Greening' of Industry in Thailand**

**David A. Sonnenfeld, Ph.D.**

*Assistant Professor*

Department of Sociology

Washington State University

# Overview

- Transnational Actor Networks
- Thailand's Electronics Industry
- Research Methods
- Preliminary Findings
- Implications
- Further Research

# Transnational Actor Networks

- Key element of increasingly global civil society
- Growing number & density of networks:
  - Business
  - Governmental
  - Advocacy
- Establishing transnational business, legal, social and political values, practices & institutions
- Advocacy networks engaging in information, symbolic, leverage and accountability politics (Keck & Sikkink 1998)

# Transnational Business Networks

- Producers
  - Transnational firms
  - Global commodity (supply) chains
  - Strategic alliances
  - Industry associations
- Consumers
  - Environmentally preferred purchasing policies
  - Eco-labeling
  - Green consumers (individual, corporate, gov't)

# Transnational Governmental Networks

- Trade (WTO)
- Finance (World Bank, IMF, ADB)
- Standards (ISO)
- Regulatory (WEEE Directive)
- Defense

# Transnational Advocacy Networks

- Labor
- Environmental
- Human rights
- On violence against women
- Anti-globalization

# Research Question

- What is the influence of transnational business, government, and advocacy networks on the ‘greening’ of industry in newly industrializing countries?
- Thailand’s electronics industry as a case study
- Comparison with previous study of the pulp and paper industry (Sonnenfeld 1996, 1998)
- Historical comparison before & after the Asian “flu”

# Thailand:

## *Globalization & Development*

- Committed to an open economy, development through economic growth
- Transnational & domestic capital & government allies are strong relative to the regulatory state
- Environment very much on the agenda, though less important than growth & development
- Weak “command-and-control” environmental regulation

# Thailand's Electronics Industry:

## *Historical Structure & Dynamics*

- Sector several decades old, prioritized by the Thai government for investment and growth (Tirilap 1997)
- Niche in hard drive & components manufacturing, including assembly & mid-range technical operations (Doner 1998)
- The “sandwich” dilemma: between high value-added manufacturing; and lower-wage assembly operations
- Occupational health & environmental issues surfaced in the early 1990s, with concerns about lead and other heavy metal poisoning

# Thailand's Electronics Industry:

## *Current Trends*

- In the context of Thailand's continuing financial crisis:
  - Export-oriented firms have done very well
  - For Thai firms, domestic capital has become scarce, portion of foreign ownership has increased
  - Transnational (USA, Japan) firms remain dominant
- Thailand remains a center for the manufacture of electronics components, machine operation & assembly

# Hypothesis

- Transnational actor networks are critical to the introduction and implementation of industrial environmental improvements in newly industrializing countries.

# Research Methods

- Qualitative field research
  - May 1998, May/June 2000
  - Bangkok metropolitan area
  - Eastern seaboard
  - Northern Thailand
- Interviews
  - Factory officials
  - Government officials & regulators
  - NGOs
  - Academics
- Factory site visits
- Available data

# Environmental Transformations

- Thailand's electronics industry one of the first to comply with CFC substitution; assisted by UNEP
- Widespread effort to establish environmental management systems & gain ISO 14001 certification; accompanied by elaborate commemorative newspaper supplements
- Increasing demand from customers for ISO 14001 certification
- Lucent Technologies (Thailand) integrated circuit factory claims to be first in world to obtain BSE 18000 certification

# Environmental Transformations

- One company reports customer requirement for implementation of lead-free soldering -- possibly related to anticipated passage of the EU's WEEE directive
- Large, export-oriented electronic components supply firms most influenced and w/ greatest organizational capacity

# Transnational Environmental Actions

- Global convergence of environmental regulatory standards
- ISO 14001 environmental management systems standards
- ISO 18000 occupational safety & health systems standards
- Montreal Protocol on global warming; CFC substitution
- Extended producer responsibility (EPR); EU Directive on Waste from Electrical and Electronic Equipment (WEEE)
- Transnational labor/human rights activism, incl. on occupational & environmental health -- utilized but kept in background

# Role of Transnational Actor Networks

- Transnational *business* and *governmental* networks have been most immediately influential:
  - Corporate environmental policies/management systems
  - Green supply chain management practices (see Rosen, et al. 1997)
  - Broad adoption of ISO 14001 as standard for corporate environmental management systems
- These have not happened in a vacuum
  - Developing standards for extended producer responsibility (EPR)
  - Waste from electrical and electronic equipment (WEEE) directive & similar measures

# Advocacy Networks' Role

- Individual firms targeted by *advocacy* networks not necessarily leaders in adoption of environmental technologies & practices
- Impact of advocacy networks substantial but *indirect*, through influencing leading firms & government policies
  - Helping define global environmental norms & standards
  - Keeping pressure on corporate & governmental actors
- Future potential impact of advocacy networks is great

# Further Research

- Need to understand more fully:
  - Interplay of business, governmental & advocacy networks in development of global legal and quasi-legal environmental standards
  - Productive tension between voluntary & mandatory industrial environmental transformation, incl. in newly industrializing countries
  - Processes and dynamics of transnational actor network development & action
  - Relation between local social movements & transnational advocacy networks
- Part of a long-term, comparative study of social and environmental transformation in Thailand and other East/Southeast Asian countries

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