

Organizing Export Processing Zone Workers: Some Considerations for Trade Unions

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Export Processing Zones (EPZs) have flourished since the development of the Shannon EPZ in 1960. The concept of 'government' as defined by Miller and Rose (1993) has been used in this paper to unravel how state and capital interests have 'governed' EPZ workers in Sri Lanka and Malaysia. By using this framework the analysis presented here seeks to illustrate some of the difficulties subsequently facing trade unions in trying to organize EPZ workers.

Introduction

This paper seeks to unravel how labour in export processing zones (EPZs) in Sri Lanka and Malaysia has been governed by state and capital in order to meet economic interests. As the main forces of government, it is argued that state and capital govern EPZ labour by using direct means available through legislation and administrative techniques, and indirect means involving the manipulation of the subjectivities of workers. As a result, state and capital have been able to diffuse the contestations which traditionally arise between capital and labour under capitalist relations of production, and thus subdue the tendency of workers to mount resistance activities aimed at economic or social change.

Understanding these dynamics is vital for the future of trade unions in EPZ host countries. This is firstly because the scenario depicted for EPZ labour is part of an overall 'package' of incentives (which also includes for example lower taxes, public utility costs, employment schemes, see table 1) usually offered by EPZ host states to attract capital interests into EPZs. This has subsequently led states to directly circumscribe the role of unions in an effort to increase the attractiveness of labour management in the zones. This has been achieved through restricting the functions of unions and practising a 'no union' policy in the zones, despite usually the existence of Constitutional and other legislation granting EPZ workers the right to freely organize (Starnberg: 1989: 18; ILAB: 1989-90: 6-8). Secondly, because this package of incentives is used by countries to compete with each other in trying to attract investment, it could be argued that there has been a 'downward levelling' on some of these measures¹. For instance countries like Sri Lanka have found it necessary to offer lower labour costs than India, Malaysia, the Philippines, South Korea and Taiwan because Sri Lanka was a 'late-starter' among zone countries (Jayanthakumaran: 1995: 7). Thirdly and most importantly, the tendency of workers to mount resistance activities against state-capital actions has been subdued not only because workers are coerced into compliance by various direct means practised by this coalition of interests; it is also because some workers (particularly indigenous workers) have become confused about matters of class as a result of participating in the process of industrialism generated through EPZs². That is, some workers do not view class relations in the dichotomous way that is usually associated with capitalist relations of production, because they have benefitted materially and socially from export oriented

¹ The term 'downward levelling' is used by Brecher and Costello (1994) to describe the downward spiralling of social and economic conditions as a result of the emergence of the global economy.

² The term 'industrialism' in this context refers to the social as well as the economic changes which occur as a result of the process of industrialization.

industrialism and are therefore reluctant to undertake actions which may adversely affect these gains³.

The analysis presented in this paper draws on the conceptual framework proposed by Miller and Rose who define the term 'government' as the "diversity of forces and groups that have, in heterogeneous ways, sought to regulate the lives of individuals and the conditions within particular national territories in pursuit of various goals". The term 'heterogeneous ways' refers to the use of *direct* (for example legislative and administrative measures) and *indirect* (for example, manipulation of subjectivities) means (1993: 77). Thus the state here becomes *one* form that government has taken; while predominant, 'the state' is not privileged as being *the* factor affecting these dynamics⁴. Miller and Rose subsequently argue that "an analysis of modern 'governmentality' needs to free itself from a focus upon the state and from a restricted conception of the *kinds of mechanism* through which authorities seek to regulate the activities of a differentiated assembly of social agencies and forces" (1993: 102, italics added).

After first discussing how EPZs have been used to meet economic interests in Sri Lanka and Malaysia, the next section of the paper discusses some of the direct means used by state and capital to 'govern' labour. This is followed by a discussion identifying some of the 'indirect means' and 'heterogeneous ways' used in 'governing' EPZ workers in Sri Lanka and Malaysia. Through presenting two case studies of a successful and unsuccessful workers movement in Malaysia, the final section of the paper attempts to articulate some of the challenges facing trade unions in these countries, by illustrating how the forces and means of government intersected to affect the outcomes being pursued by these workers' movements⁵.

Using EPZs to meet economic interests of state and capital

Traditionally, EPZs are a state sponsored, foreign investment dominated and enclave style industrial estate, where production is for export and operations are characterised by minimal administrative requirements, import and export duties. EPZs have multiplied numerically as well as modified and varied since the first post 1945 EPZ was opened in Ireland in 1960. Whereas in 1990 it was estimated that there were 272 zones in operation, the most current estimate suggests that there are now 843 export processing and free trade zones throughout the world (Lloyds: 1990; Flagstaff Institute: 1997). There are now specific function zones such as in China for example where there are special economic zones, economic and technological development and tourism zones (Flagstaff Institute: 1997). In addition other countries allow the development of EPZ style structures which operate like EPZ enterprises but don't have to be located in EPZs. The Licensed Manufacturing Warehouse (LMW) Scheme in Malaysia is one example of this⁶.

The concept of EPZs was first promoted to developing countries by the United Nations Industrial Development Organization (UNIDO) in the late 1960s and later by organizations such as the Asian Productivity Association in the 1970s (Caspersz: 1995: 3). These organizations suggested that by developing EPZs, countries would be able to create employment opportunities, generate much needed export earnings and fast track the process of industrial development by attracting foreign investors (Caspersz: 1995: 4). The economic benefits to be gained from EPZs therefore became their principal attraction.

³ 'Class' as used here refers to the position which individuals (or people) occupy in the social organization of production. This is of course a Marxist definition of class see Bendix and Lipset (1954: 26-35) for a summary of Marx's view of 'class'.

⁴The state can be defined as ' a structure of domination and coordination including a coercive apparatus and the means to administer society and extract resources from it. " (Alagappa: 1995: 26)

⁵ The aim of both workers movements was to form a union. 'Success' in this context is therefore defined as the ability of the workers movement to be able to do so.

⁶ A similar scheme also operates in Sri Lanka (Field trip: 1996; Stopford et al: 1992: 116).

Meeting the state's interests

EPZs were developed in both Sri Lanka and Malaysia as part of a switch to an economic policy featured by trade liberalization and a focus on export oriented production. In Sri Lanka EPZs were part of a comprehensive programme of economic liberalization measures implemented by the United National Party (UNP) led by President Jayawardene in 1977. This policy package was developed in exchange for assistance from the International Monetary Fund (Shoemith: 1986: 226). "Let the robber barons come" was the expression used by President Jayawardena to describe the measures introduced. As well as EPZs, macroeconomic reforms like reviewing the exchange rate system, lifting of restrictions on capital transactions and allowing foreign banks to establish branches were also introduced. Sri Lanka's first EPZ was opened in Katunayake in 1978 (Economic Review : 1982: Jayanthakamuran : 1995: 1). The Katunayake EPZ is one of four EPZs in Sri Lanka. The others are located at Biyagama which opened in 1987, and Koggala which was developed in 1991. A new zone has recently been developed in Kandy. In addition there is the Kandy Industrial Park (1994), the Hambantota Industrial Park and other industrial estates such as the E-kala Industrial Estate.

EPZs in Sri Lanka are dominated by textiles and wearing apparel industries (Shoemith: 1986: 229; Jayanthakumaran: 1995: 12; Alwis: 1995: 12). The Multi Fibre Arrangements (MFA) between the major industrialised and semi-industrialised countries attracted foreign firms into countries such as Sri Lanka in search of unexploited country quotas (Jayanthakumaran: 1995: 12). With the gradual phasing out of the MFA under World Trade Organization agreements, concern has been expressed about the future viability of this industry. This is particularly relevant given the disappointing performance by zone enterprises in generating backward linkages⁷ (Alwis: 1994; Jayanthakumaran: 1995: Interviews, Sri Lanka : 1996). As a result the Sri Lankan government is now trying to attract other industries into the zones, like for instance electronics manufacture into the newly developed Kandy Zone (Interview Sri Lanka: 1996).

FTZs were established in Malaysia as part of a broader export oriented industrialisation policy (EOI) adopted by the state in the aftermath of race riots in 1969. One of the major objectives in establishing FTZs was to subsequently create employment opportunities for the Malays⁸. In 1971 the Free Trade Zone Act was enacted and the first FTZ was established in Penang in 1972 (Nesuradai: 1991 : 104). For the first fifteen years FTZs were segregated from the rest of the Malaysian economy (World Bank: 1992: 25). However as the percentage contribution by FTZs and FTZ enterprises to exports has increased over the years, so too has the number of FTZs and FTZ enterprises. For instance whereas in 1982 FTZ exports represented 14% of overall exports, this had increased to 24% in 1990 (World Bank: 1992: 25). Subsequently there are now 13 FTZs in Malaysia and by 1992 LMW status had been conferred on 1277 enterprises (Flagstaff Institute: 1997: Interview, Kuala Lumpur: 1994).

The Malaysian state deliberately set out to attract semiconductor operators into FTZs in Malaysia. The fact that nearly all major semiconductor companies now have operations in FTZs in Malaysia illustrates the success of this strategy⁹. Malaysia is now using its FTZs to attract higher end stages of electronics manufacture like wafer fabrication and research and development.

⁷ In fact one case study was found of a Hong Kong based textile company which used its zone based Malaysian operation to manufacture the textiles and then shipped these to its industrial estate operation in Sri Lanka for assembly into brand name garments (Interview SP: 1996).

⁸ This was especially for Malays in an effort to correct the ethnic imbalance which had acted as a trigger to the race riots.

⁹ Of 61 multinational electronics firms located in Malaysia in 1994, all were located directly in FTZs or in industrial estates or has LMW status. This is based on an assessment of industries listed in the appendix of the document " The Malaysian Electronics Industry " (IMF: 1994).

Meeting capital's interests

As table 1 shows, a common framework of 'packages' exist in many EPZ host countries. It is argued that as a result, capital interests have been able to maximize returns by locating stages of production at various country sites according to economic interests and production needs. By offering this 'production haven' for capital interests, EPZs have played a significant role in restructuring production processes.

Table 1: Sample of range of tax incentives, EPZs

Country	Date of first zone	Exemption of Income Tax for Company between 1-5 years	No dividend tax for non resident for tax period	100% foreign investment allowed	Free transfer of shares	No import duty on machinery and materials	Lower water, rental and electricity
Malaysia	1972	Yes. Tax to be paid on only 30% of statutory income		Yes but prefers joint projects, especially with at least 30% bumiputra	Not known	Yes	Not known
Sri Lanka	1978	Yes. Depends on employment in project. Further 15 year holiday available	Yes	Yes	Yes	Yes	Yes
Bangladesh	1983	Yes. Available for 10 years	Yes	Yes	Not known*	Yes	Yes

* however full repatriation of profit, capital and investment available

Sources: Jayanthakumaran, K, "An Overview of Sri Lankan Export Processing Zones", ICFTU-APRO, CWC, 1995; ICFTU-APRO South Asia Office, Survey of Export processing Zones in Bangladesh, 1994; Electronics and Electrical Industries, MIDA/Business Times, 1994.; Lloyds International Free Trade Zone: 1990; 20 Export Processing Zones, 1992;

For instance, one case study of a US semiconductor company revealed a production chain between sites in the US and FTZs in Malaysia. The company researched and manufactured the original chip at its US base where it could take advantage of research and development capacities there. This was then transported to a subsidiary in a Malaysian FTZ for assembly into integrated circuit boards. This stage of production required a mass of low skilled labour which was both cheap and readily available in this location. Because of minimal import duties and the fact that the circuits were being produced for export, this company incurred minimal costs in duties imposed. By sending the manufactured product back to the US for further distribution, this company gained a further cost advantage. Under US customs items 406.3 and 407.0 tariff exemptions for product re-shipment into the US are granted to US companies manufacturing in developing countries like Malaysia, if the component was originally sourced in the US.

Governing labour using direct means

When EPZs were first developing in the post 1945 era, the principle of comparative advantage was gaining increasing prominence in shaping global production processes. For developing countries their comparative advantage was identified as being the availability of a mass of labour. As a result, along with other 'incentives' designed to attract this investment (as shown in table 1), guarantees of labour stability were also provided. To meet this requirement both the Sri Lankan and Malaysian states have from the beginning used direct means of legislation and administrative practices to govern EPZ labour.

Legislative restrictions

When creating EPZs in Sri Lanka, the UNP Jayawardene government also enacted legislation to establish the Greater Colombo Economic Commission (GCEC) as the statutory body responsible for the establishment and management of EPZs¹⁰. Under the initial legislation establishing the GCEC, it was proposed that EPZs be exempted from all the labour laws by fiat of the Minister. In a special section, the Bill also declared that the Industrial Disputes Act and the Termination of Employment of Workmen (Special Provisions) Act No 45 of 1971 should not apply to any zone enterprise unless this was expressly provided in an agreement between the GCEC and the enterprise (Weerakoon: 1986: 46). As a result of a challenge in the Constitutional Court by the Ceylon Federation of Labour and other organisations, these sections of the Bill were declared discriminatory and excluded from the final legislation which was passed as law in January 1978.

In Malaysia, the state imposed a general ban on the formation of trade unions in the export sector. While this ban was gradually relaxed in other industry sectors, the Malaysian state maintained this 'no union' policy in the electronics sector for approximately fifteen years. When the Malaysian Minister for Labour was asked why the state had done so, the response was that the electronics industry was 'too sensitive' and that "the owners of the electronics companies will leave Malaysia (if unions were allowed)" (ILRE & RF June 1990: 15-16). When the Malaysian government finally allowed workers in this sector to form enterprise unions, they actually reversed an initial decision allowing industry unions because "...having a national union in the electronics sector might stop firms from expanding or result in their closure." (The Star: Feb 28, 1989).

The privileging of economic interests above social needs can be further illustrated by the fact that both these states continued to act to directly limit the rights of zone workers, despite international displeasure. For instance the AFL-CIO union movement in the United States (US) had petitioned the US Senate on two separate occasions to remove Malaysia from the US sponsored scheme of Generalised System of Preferences System (GSP) because this state would not allow electronics workers the right to unionize. Similarly in Sri Lanka a petition was presented in May 1991 by the International Labour Rights, Research and Education Fund with the support of trade unions in Sri Lanka, to the US Trade Policy Staff Committee to review Sri Lanka's continued GSP status. The basis of this petition was the failure by the Sri Lankan state to enforce labour laws and standards similar to those found in non EPZ enterprises. This included limitations on the right to associate (Interviews, Sri Lanka: 1996).

Administrative practices

While the right for workers to freely organize exists in theory in Sri Lanka, this has been violated in practice by various administrative arrangements. Firstly, employers have so far been under no obligation to recognize unions (ICFTU: 1997)¹¹. Furthermore, under the Constitutional changes introduced by the UNP in 1978 and which still exist today, a high degree of authoritarianism entered the newly created office of Executive President. This was reflected in the enactment of the Essential Public Service Act, No 61, 1979 which gave the President power to introduce emergency regulations. Coupled with the ability to make it illegal for workers to strike by declaring industries as 'essential' under the Industrial Disputes Act (1950), this legislation was used to overcome Constitutional rights and have 40 000 workers deemed to have vacated their positions because they went on strike in 1980. As a result, the state effectively stemmed further worker protest against their actions, as they instilled a fear in workers that if they did undertake strike action they would lose their jobs (Weerakoon: 1986: 49; SL Law & Society Trust: 1995; ICFTU: 1997). Interviews with FTZ

¹⁰ The GCEC was formed by legislation in 1978. In November 1992 it was renamed the Board of Investment. This amendment brought all licensed foreign enterprises, wherever they are located, under the BOI.

¹¹ This may be rectified if the Workers Charter proposed by the recently elected People's Alliance (PA) party in 1994 led by President Kumaratunga, becomes legal.

workers in Sri Lanka revealed that this fear of state disapproval towards unions was still a factor affecting workers willingness to participate in union activities.

The UNP Jayawardene state also sponsored the formation of Joint Consultative Councils (JCCs) as alternatives to trade unions and as a strategy aimed at reducing the need for third party intervention by unions (Shoemith: 1986: 237). This was reinforced by the fact that these committees were chaired by the enterprise's Chief Executive and that workers on the committee be nominated by management. It was only with the election of the People's Alliance coalition in 1994 that these requirements changed. After 1994 the name of the committees was changed to 'Workers Councils' and all council members were to be elected (Minute from Director-General, BOI, Sept 28, 1994). However in interviews with EPZ workers they remained skeptical whether the re-vamped Workers Councils would bring any real benefits to their situation, because they believed that the scope of matters that Workers Councils can discuss does not appear to have changed from the previous status quo (Interviews, Sri Lanka: 1996).

Finally the state entrusted the GCEC (and now the BOI) with administering industrial relations matters in the zones. Thus a specific industrial relations department was also established as part of zone administrative arrangements. This still exists today (Interviews, Sri Lanka: 1996). The role of the industrial relations department is to "...advise and assist the enterprises to maintain a peaceful and harmonious industrial relations situation....visit the enterprises and guide investors on all aspects in the area of industrial relations" (BOI "Labour Standards and Relations": 1996: 14). By instituting this mechanism the state has diverted both workers and employers - at least in the first instance - from using the formal industrial relations machinery to resolve disputes. It was found for instance that the zone industrial relations department handled all disputes that arose between workers and management (Fieldwork, Sri Lanka: 1996). This arrangement is obviously of benefit to management rather than workers, as workers in these instances are usually unrepresented but still have to negotiate with both management and state officials.

In Malaysia the Director General of Trade Unions under the TUA has the direct power to refuse union registration on certain grounds.¹² This power has been used time and again to prevent unions from forming, especially in the FTZs. The government's fifteen year policy refusing registration of workers movements in the electronics sector in Malaysia best exemplifies this. Even though the government has since allowed these workers to now form in house or enterprise unions at least, the fact remains that workers in this sector still don't have the freedom to choose what *type* of union they would prefer to belong to¹³.

The IRA also restricts the scope of collective bargaining for workers. Powers relating to hiring and firing, transfer and promotion, dismissal and reinstatement and pensions are excluded from collective bargaining; the definition of a dispute is also excluded¹⁴. The Malaysian government has also used other legislation like the Internal Security Act, the Printing Press and Publications Act and the Sedition Act to restrict the exercise of trade union

¹² Registration by trade unions is required under the act, s 19 of the TUA 1969. The registering authority is the Director General for Trade Unions of the Dept of Trade Unions in the Ministry of Human Resources. The Director General may also reject the application for registration if inter alia ' he is of the opinion that the union is likely to be used for unlawful purposes '...may cancel or withdraw the registration of a union if inter alia ' he is satisfied that the union has been , or is being, or is likely to be used for any unlawful purpose '...ss 12(3), 13, 15 (1) (Ayudarai: 1992: 52)

¹³ While enterprise unions in Malaysia existed before the ' Look East ' policy, they became a formal feature of state policy after this was introduced in 1981/82 (Wad: 1988). The state has since then actively promoted the establishment of enterprise unions. Arudosothy and Littler (1993; table 8) show that there has been a progressive increase in the number of these unions between 1984 - 88.

¹⁴ see Kaur (1994), ILAB (1989-90), Ayudarai (1992), Wun (1995) ICFTU (1997) for relevent comment on the implications of Malaysian industrial relations law.

rights. For instance by using the Internal Security Act the government imprisoned unionists along with other 'dissidents' in what was known as 'Operation Lallang' in 1987.

While these restrictions apply to EPZ workers because they are classified as 'pioneer industry' workers, specific regulations affecting EPZ workers in Malaysia include the capping of wage and employment conditions under section 15 of the Employment Act 1955 and the Employment Regulation Act 1980. Under this workers in pioneer industries may not bargain for terms of employment more favourable than the minimum terms specified under these Acts. Because Malaysia does not have minimum wage legislation, these in effect constitute minimum working conditions; thus EPZ workers cannot in theory attain working conditions beyond that stipulated in this Act¹⁵.

Managing labour to meet economic interests using indirect means

While ethnicity and nationalism are also influential variables, the exercise of indirect means through the manipulation of subjectivities is best exemplified by examining how 'gender' has been used to construct a certain type of workforce amenable to the economic interests of state and capital, that is mainly female, rural in origin and young.¹⁶ These characteristics of workers are considered to contribute to a more docile and compliant workforce which is less likely to become involved in militant activities like trade unions. The preference to employ females rather than males because of this was clearly articulated in interviews with employers in both Sri Lanka and Malaysia (Interviews, Sri Lanka and Malaysia: 1996). As one employer stated "*females are less likely to walk around and cause trouble*" (Interview, Sri Lanka: 1996).

The state has willingly assisted capital interests to meet this preference. Through sponsoring zone based Job Banks the Sri Lankan state for example has been able to control the *type* of worker employed in zone enterprises by stipulating in the agreements between the GCEC and zone enterprises that employees recruited locally to the enterprise should be amongst those registered for employment with the Job Bank¹⁷. As a result EPZ workers in Sri Lanka have been found to fit the general description: that is, young, female and mainly rural in origin (Shoemith: 1986; World Bank: 1992: 17; Alwis: 1994; AAFLI: 1995; ITGWU: 1996). Fieldwork undertaken in Sri Lanka during 1996 in Katanuyake and Biyagama also confirmed this.

Like in Sri Lanka, zone employment opportunities in Malaysia have facilitated women's entry into the wage-labour workforce. Ariffin (1983: 50) and Yayha (1994: 25) conclude that out of the numbers of women entering the workforce, many found employment in the textile, garments and electronics industries located in the FTZs¹⁸. The Malaysian government has also deliberated promoted women as having the personality, submissiveness and nimble fingers suitable for the type of labour process dominating FTZs. For instance, a government sponsored investment brochure claimed (Kaur: 1994: 17)

"The manual dexterity of the Oriental female is famous the world over. Her hands are small and she works with extreme care. Who, therefore, could be better qualified by nature and inheritance to contribute to the efficiency of a production line than the Oriental girl? Women workers are considered to have nimble fingers; they are docile and compliant; they do not get involved in trade union activity and are reluctant to go on strike. They are good workers, tolerant of routine, repetitive and monotonous tasks which men abhor and shun."

¹⁵ The state has recently approved the deletion of this section and will repeal it. However this has not as yet occurred (ICFTU: 1997)

¹⁶ see Caspersz (1997) for an analysis of how ethnicity and nationalism have been manipulated by state and capital interests in managing economic life in Malaysia.

¹⁷ For instance it was recently found that 50.5% of workers surveyed secured their jobs through Job Banks in zones (AAFLI: 1995).

¹⁸ Women's total workforce numbers increased from 1, 354.1 million in 1975 to 2 244.6 million in 1990 Yayha: 1994: 39-41)

The Malaysian government has increased the attractiveness of female labour in other ways. For instance despite the Equal Pay for Equal Work Act 1969, there are still gender based wage differentials. Ahmad (1994, table 16) illustrates this across various industry sectors using 1980 data. However data from 1992 shows a similar picture. In the lowest category of machine operator in the electronic and electrical industry for example, daily rated females earned \$336.91RM and males \$345.53RM. Monthly rated females earned \$247.80RM and males earned \$309.54RM (Occupational Wages Survey in the Manufacturing Sector 1992: 1993: table 1.3)

Heterogeneous ways

An illustration of the use of heterogeneous ways to govern EPZ workers by the diverse forces of state and capital interests can be illustrated by examining how 'personal matters' have affected the willingness of workers to participate in union activities or worker resistance movements. For instance, in interviews with workers in Sri Lanka it was found that fear of losing a job if they participate in union activity arises not only from the workers' own personal standing, but because many workers also support families in their villages of origin; thus workers cannot 'afford' to lose their job. A recent study of EPZ workers socioeconomic status also confirmed this (Alwis : 1995: table 1.3).

The fieldwork also illustrated that the living conditions of workers is a major factor affecting their ability to become involved in non work activities, including unions. This is because the physical and mental effort required to maintain their lifestyle induced tiredness and did not leave them much free time. For instance from a survey of boardinghouses near the Katunayake zone and a visit to a boardinghouse in the Biyagama zone, it was noted that workers had to cook their own meals. However cooking facilities were confined to one pot per worker and were located outside in a compound. Furthermore, a number of boardinghouses (at an average of 24 boarders) would share only one well for washing facilities. As can be imagined workers would have to efficiently organize their time in order to be able to use this facility. Finally most workers not only worked an eight hour shift but also had to walk at least twenty minutes to and from work. Thus it is not surprising that in a survey of Katunayake workers, 45.2 per cent spent their free time reading books or newspapers rather than becoming involved in any other type of activity (ITGWU: 1996: 23). In fact interviews with workers revealed that some preferred to do extra shifts and accumulate their free time to visit families living far away (Interviews, Sri Lanka: 1996). The families of some workers interviewed for example lived three hours and five hours away by bus. Thus to visit their families these workers had to have at least two days leave¹⁹.

While the fieldwork in Malaysia did not reveal the same 'personal matters' as described in the case of Sri Lanka, it was found instead that because workers had benefitted in a material and personal sense from being employed, they were reluctant to engage in activities which may threaten the ongoing security of this (Caspersz: 1997). Firstly, because workers had materially benefitted from their working activity the fieldwork revealed that this had become a primary objective. The desire to improve their 'economic standing' even if it meant sacrificing philosophical or ideological principles, was apparent. As one worker who had been a unionist since 1972, led worker resistance movements and was now a human resources manager for a major company said: "... *principles are all very fine, but when others are depending on you then principles are not much good.*" (Interview, Penang: 1995)

For new workers - like women - there was a desire to safeguard the opportunity which was now available through employment opportunities in the zones, because it had helped with the construction of a new social identity. For instance, interviews were conducted with Malaysian women zone workers who joined the workforce soon after completing their lower

¹⁹ Workers are only entitled to fourteen days leave per year and many commented on the fact that it was difficult to get this leave approved by management. Jayanthakumaran (1995) also found that workers had difficulty in getting their leave approved.

secondary certificate. Even though they may only be working as production operators or quality assurance officers²⁰, they indicated that they would not leave their workplace because it “*gave them something to do*” (Interview, Kuala Lumpur: 1995). They no longer viewed work as an ancillary activity. Rather there was a greater recognition that it was a source through which they could gain personal satisfaction and ‘better themselves’. None of the Malaysian women interviewed said that they would return to their village existence. City life provided ‘more opportunity’ to improve their standard of living because jobs were more readily available and the wages and benefits far superior.

Challenges for trade unions

By combining direct means of governance with indirect means such as manipulating the subjectivity of workers, it is argued that the forces of government have been able to fracture the interests of EPZ workers and prevent them from forming into class based coalitions²¹. As a result this has subdued the potential for workers to collectively form into resistance movements which may threaten the interests of state and capital. The challenge for trade unions is to unravel the effect created on workers by the intersection of these factors and to construct their own responses by using this material. This section provides a preliminary illustration of this trajectory by comparing the process and outcomes of two worker resistance movements in Malaysia.

Worker resistance movement A

Worker resistance movement A was led by a Malay female quality control officer. In this factory as in other foreign owned factories, non Malay staff usually held the more skilled and senior positions. They therefore earned higher levels of remuneration. This inequity in pay between Malay and non Malay staff triggered the resistance cycle which eventuated in this factory. To develop the resistance action, the female leader had collaborated with two other staff (one was a Malay female payroll clerk and the other a Malay male technical staff) to inform workers about this inequity in pay rates over a two year period. During that time, the leader had also made contact with the local branch of the industry union, to whom the workforce eventually affiliated. This contact in turn enabled the leaders to contact the Japanese based branch of the union which covered this company's worksites in Japan.

When the workers finally staged their major act of resistance (a lock out), the leaders had cultivated the support not only of workers but of influential people living in the community e.g. Malay village headman. They had been able to do this because of the positions that they held on the factory floor and because they lived in a predominantly Malay community. For instance, the village leaders only allowed the unions leaders access into the villages to talk to the workers. Through their union contacts, the leaders were also able to publicize the resistance action in Japan. This was highly significant as it bought ‘shame’ onto the Japanese management and forced them into negotiating a solution. The outcome was that, contrary to government policy on the formation of industry union branches in the electronics industry, a branch of an industry union was formed at this workplace.

Worker movement B

Worker resistance movement B was led by a group of leaders mixed in gender, ethnicity and occupation. However the main leaders were male Indian non production workers. While this worker movement liaised with the Malaysian Trade Union Congress and with relevant unions in the United States covering company sites there, it did not manage to get the same level of support from these sources as Worker Movement A. In addition, the triggers for the resistance movement lay in trying to safeguard the future of workers. This had arisen because of rumour

²⁰ These are the lowest categories for low skilled workers in an electronics factory.

²¹ ‘Class’ here refers to the position which individuals (or people) occupy in the social organization of production.

that the company was considering amalgamating with another company and thus may have had to lay off workers.

When this workers movement initially staged their major acts of resistance (picketing activity) they were supported by the majority of workers. However, with time and increased company intimidation against workers, this support dwindled until there remained a final group of twenty one workers. These workers eventually lost their jobs. They subsequently instigated an action for unfair dismissal against the company which progressed through the court system in Malaysia. The most recent decision by the High Court has been the most favourable for these workers where it was decided that the matter should be re-listed in the lower courts for hearing. However, despite the actions of this workers movement they failed to have a union established at the worksite.

Comparison of factors

It is argued that factors like gender and ethnicity were highly influential in the success of Worker Movement A and the lack of success enjoyed by Worker Movement B. Because the leaders in Worker Movement A were mostly female and Malay, they were able to harness the majority of the workforce and maintain the support of the movement. In contrast, because the leadership in Worker Movement B was more diffused, they were not able to consolidate this support amongst the workforce.

Conclusion

By applying the concept of 'government' as proposed by Miller and Rose (1993), this paper has attempted to illustrate how the forces of government (that is, the state and capital) have manipulated some of the subjectivities of workers (or rather the 'soul' of workers) in governing economic life²². For as Rose states: "Our personalities, subjectivities, and 'relationships' are not private matters, if this implies that they are not the objects of power. On the contrary, they are intensively governed. Perhaps they have always been" (1990: 1).

It is argued that the dynamics which emerge from using this analysis unravel fertile material for trade unions in trying to organize EPZ workers. While it may appear that on the surface this approach results in a rather 'doomsday' prophecy for the future of workers in these environments, it is argued that in the limited case study material presented and fieldwork material gathered, there are some alternative perspectives which trade unions can consider. These will only become more apparent through continuing analysis.

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²² Nikolas Rose (1990: 2) in describing how the individual is now governed by various direct and indirect means in the interests of 'economic life' states "the 'soul' of the citizen has entered directly into political discourse and the practice of government".

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