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	Organization	University of the South Pacific	
	Address	Suva, Fiji	
	Phone	(679) 3232541	
	Fax		
	Email	chand_a@usp.ac.fj	
	URL		
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- 21 Bureaucracy · State-Employer Collusion

#### 1 Introduction 23

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- 24 Discussions of state-employer collusion in non-enforcement of labour legislation were
- 25 once fashionable and remain important in terms of practice, however, in theoretical terms,
- 26 they have disappeared from the radar and have become less central to recent analyses of
- 27 labour. There are a variety of ways in which the state can assist employers not to abide by
- 28 labour laws in developing economies. One way is that the state can forgo enacting pro-
- 29 gressive labour legislation. Secondly, the state can avoid enforcing labour legislation
- $\bowtie$ Anand Chand chand\_a@usp.ac.fj
- A3 School of Management and Public Administration, University of the South Pacific, Suva, Fiji



A. Chand

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Journal : Small 11205
Article No. : 1583
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Pages:

where this legislation exists. This article focuses on the latter. The non-enforcement of labour legislation is more evident in developing economies *vis-à-vis* developed countries. Although there is enough literature on the topic of *non-enforcement* of labour legislation in developing countries, the literature is barely underpinned by any theoretical framework. This article attempts to fill this theoretical lacuna by developing the concept of *mock state bureaucracy* at the macro 'state' level of analysis to better explain state-employer collusion in *non-enforcement of labour legislation* in developing countries. By examining the primary empirical evidence of the garment industry in the Pacific region, in particular Fiji, this article develops the concept of *mock state bureaucracy* to explore the collusion between the state and employers and the role played by the state in protecting the interests of employers at the expense of employees. The article argues that we must move beyond the narrow 'firm' level analysis to a broader 'state' level analysis in order to fully understand state-employer collusion. The central argument of this article is that both the 'state' and 'employer' are important units of analysis and they should be brought back to the centre stage of any discourse on employment relations of developing countries.

Dispatch:

21-2-2017

One may question as to why revisit Gouldner's (1954a) theory and whether this theory still relevant today? Gouldner's (1954a) theory is still useful in explaining rule making and rule enforcement (or non-enforcement) by employers and management in controlling employees in firms in the current period. Similarly, Burawoy (1985) asserts that Gouldner's theoretical framework is still relevant and useful for us to understand bureaucracy and labour processes in the contemporary capitalist society. Burawoy (1982:3) goes on to say that "...throughout the development of capitalism and across the globe, is in large part an extended dialogue with [Gouldner's] Patterns of Industrial Bureaucracy". Thus, it is still relevant to use Gouldner's theory to explore the operations of present-day firms and possibly expand Gouldner's (1954a) theoretical framework.

This article has eight sections, in which section one introduces the main aim of the article. Section two provides a background on employment relations in the Fijian garment industry. Section three outlines the research methodology. Section four contains the literature review. Section five revisits Gouldner's (1954a) theoretical framework and highlights its criticisms. Section six applies Gouldner's (1954a) theory within the context of the Fijian garment industry and identifies the gaps. Section seven extends Gouldner's (1954a) theoretical framework by developing the new concept of *mock state bureaucracy* which will illuminate the *state side of collusion* and the *employer side of collusion*. Finally, section eight provides the conclusion and suggests agenda for future research.

### 2 Background and Characteristics of the Fijian Garment Industry

6. AQZ Fiji, a former British colony with a population of approximately 830,000 people and consists of two major ethnic groups namely; indigenous Fijians and Indo-Fijians (Fiji Bureau of Statistics 2015). Fiji's major industries are tourism, agriculture, timber, gold mining, and small scale manufacturing (Author 2011). The garment industry emerged in the mid-1980s and it is one of the major manufacturing and export earners; it grew rapidly after the 1987 military coups. Fiji has experienced four military coups: in May 1987, September 1987, May 2000 and December 2006. These coups have affected the Fijian economy badly. After each coup, in order to arrest economic decline, the Fijian govern-ment sought to attract foreign Asian Multinational National Corporations (MNCs) (Grynberg and Osei 1996; Author 2012b).





Journal : Small 11205 Article No. : 1583 MS Code : SOCI-D-15-00578 Dispatch : 21-2-2017

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Pages: 18

□ TYPESET

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Expanding Gouldner's Theory of Patterns of Industrial...

The main characteristics of the Fijian garment industry are: firstly, the garment firms are owned by a number of categories of people: local Fijians, Australian MNCs, New Zealand MNCs, Bangladeshi MNCs, Sri Lankan MNCs, and Chinese MNCs. Secondly, the majority of the workforce are females (approximately 75%) who are mostly uneducated, single mothers, divorced women who need the jobs to survive economically (Fiji Bureau of Statistics 2015). Thirdly, the garment sector is non-unionised, employees have poor pay (average of USD \$0.70 per hour) and they work in poor working conditions and in old factories (Author 2012a, b).

#### 3 Research Methodology

This article is based on a longitudinal empirical study of Fiji's garment industry between 1996 and 2016. The author has conducted three major studies of the Fiji garment industry in his capacity as an academic at the University of the South Pacific. The first research was conducted in 1996 and was commissioned by the Fiji Textile, Footwear and Clothing Council (FTFCC). The second research was conducted between the years 2000–2001 as part of the fieldwork for a PhD study. The third research began in 2004 and remains ongoing as new developments in garment plants are studied. The sample for all three of the studies consisted of twenty four out of the forty garment plants in Fiji which is 60% of the total garment plants in Fiji.

The qualitative research method was used; in-depth semi-structured interviews were conducted with relevant stakeholders such as garment industry employers, general managers, production managers, line supervisors and employees. The author was able to gather some rich insights (insider information) from some garment employers. The author has made friends with five garment employers over the years and these employers have disclosed how they have dealt with the Ministry of Labour (MoL) officials when the officials had visited their plants to investigate employee complaints. Moreover three Chinese garment employers also divulged more details on the operations of Chinese garment firms. These Chinese garment employers willing exposed the information because they were closing their plants and relocating to Africa and had nothing to worry about.

In all three research projects, the logistics of the fieldwork involved the following processes. First, the author obtained permission from the employers to conduct the research. Initially, some employers were slightly reluctant to allow the research to be conducted due to concerns that we would ask questions about their financial issues. The author resolved this by assuring them that the research assistants and the author would not ask any questions about the firms' profits and they did not object to this. Furthermore, initially a few employers were not comfortable for us to interview workers in case we asked questions about pay and working conditions. After viewing the research questionnaire, they allowed us to interview the workers during the tea and lunch breaks to avoid disturbing plant production. We interviewed the employers first, followed by CEOs, production managers, line supervisors and workers. Although this research was overt, the author also covertly asked workers to give their views on working rules, wages, work targets, management control and whether the Ministry of Labour officials ever visited the factories to ensure compliance of labour law.

The author was aware of the ethical implications of conducting research on a vulnerable group of workers who had little job security, so he did not want to jeopardise their jobs.







A. Chand



Journal: Small 11205 Article No.: 1583 MS Code: SOCI-D-15-00578 Dispatch: □ LE ☑ CP

21-2-2017

□ TYPESET DISK

Pages:

124

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Hence, before beginning the interviews with the workers, we assured them that their names would not be revealed, the information collected would be kept confidential and if they wished, they could provide additional information to us in a different environment. Some workers indeed preferred to be interviewed at length in their home environment outside their normal working hours. These workers provided us with their telephone numbers and home addresses and we visited their homes to interview them during the evenings and weekends. In their home environments, the workers were more relaxed and willing to talk to the researchers openly.

We also interviewed other important stakeholders such as trade union leaders, nongovernment organisations (such as the Fiji Women's Crisis Centre and the Fiji Women's Rights Centre) and officials from the Fiji's Ministry of Labour (MoL).

The data was collected via qualitative in-depth interviews and responses were written down in semi-structured questionnaires and then transcribed. The next section provides a literature review on topics pertaining to state-employer collusion regarding the non-enforcement of labour laws, management control systems and the labour process in plants.

#### 4 Literature Review: State-Employer Collusion, Labour Process, **Bureaucracy, Management Control Systems**

There is extant literature on state-employer collusion in non-enforcement of labour rules in developed and developing countries (Marx 1976; Kahn-Frennd 1979; Peet 1991; Devo 1989; Wade 1990; Li and Edwards 2008; Heyes and Nolan 2010). Marx (1976) argues that the state is an agent of capitalism and protects the interests of businesses. Kahn-Frennd (1979) argues that, in the UK, labour legislation in factories was enforced especially after the trade unions arose to pressure the government into enforcing the labour laws. Devo (1989) and Wade (1990) argue that in East Asia the state played an active role in helping business, controlling progressive political parties, excluding and weakening trade unions and suppressing labour. Similarly, Heyes and Nolan (2010) argue that by supporting management control in firms, the 'state' is an active player in capitalist societies.

Moreover, the issue of *labour processes* has also attracted a lot of attention in academia. For example, authors such as Beynon (1973), Edwards (1979), Deyo (1989), Burawoy (1982, 1985) and Delbridge (1995) have explored labour processes in plants in developed countries. These authors have conceptualised the evolving ways in which the labour process is deployed and sometimes contested. Beynon (1973) provides a rich analysis of the labour processes, bureaucratic factory rules, and resistance by British workers in Ford plants in the UK. Similarly, Burawoy (1982) provides a pioneering analysis of the 'importance of rules' in management control, domination and the construction of shop-floor politics in the USA. Burawoy (1982) documents that management control systems vary in their amount, degree, and type depending on a society's point in the socio-economicpolitical environment cycle. Edwards (1979) identifies two forms of managerial control: direct 'personal control' by front-line supervisors and 'bureaucratic control' arising from firms' policies, rules, and procedures. Furthermore, the global literature on garment industries has highlighted features of microscopic shop-floor control of workers (Piore and Sabel 1984), sweatshop working conditions (Morokvasic 1987), use of immigrant female workers in developing countries (Hum 2003; Simmons and Kalantaridis 1995), OHS problems (Miller 2012) and exploitation in the value chain (Gereffi 1999; Gereffi and Lee 2012).



Expanding Gouldner's Theory of Patterns of Industrial...

Furthermore, the concept of 'bureaucracy' was developed by Max Weber (1922) who argued that modern day organisations must operate 'rationally' (on merit) rather than through nepotism. Authors such as Brubaker (1984) and Healy et al. (2010) have expanded on the concept of *bureaucracy*. Brubaker (1984) examines the practical and theoretical limitations of a narrow interpretation of rationality in organisational analysis and argues that we should look at 'rationality' not from a narrow single dimension, but rather recognising that individuals and organisations are routinely driven by multiple forms of rationality. Brubaker (1984) discusses the theoretical and the methodological importance of using multidimensional forms of rationality. Similarly, Healy et al. (2010) engaged with Weber's identification of types of rationality. Healy et al. (2010) in their study examined the role of assessment centres in recruiting highly qualified staff in the UK judiciary using Weber's types of rationality and argued that we should incorporate multiple forms of rationality when recruiting staff. Gouldner (1954a) study applied Weber's (1922) concept of *bureaucracy* in the context of a private sector plant (New York gypsum mining plant).

21-2-2017

Pages: 18

DISK

□ TYPESET

Much has been written on the topic of *management control of labour* in large countries that are both developed and developing (Piore and Sabel 1984; Delbridge 1995; Cooke 2006; Miller 2012). Piore and Sabel (1984) examined the American garment workers and highlighted the microscopic shop-floor 'bureaucratic control' of workers. Delbridge (1995) examined the process of management control of workers in a Japanese consumer electronics plant in southern England. He argued that the use of just-in-time (JIT) and total quality management (TQM) techniques enabled management to intensify work and have a complete control of the labour process. Miller (2012) in his study of the Bangladesh garment industry discussed the exploitation of workers and highlighted the inhumane deaths of 62 garment workers and injury of 84 workers at the Savar factory in Dhaka.

The next section revisits and engages with Gouldner's (1954a, b) theoretical framework of patterns of bureaucracy. It also provides criticisms of his framework.

#### 5 Gouldner's (1954a) Theoretical Framework and its Criticisms

#### 5.1 Synopsis of Gouldner's (1954a) Theoretical Framework

Weber's (1922) concept of *bureaucracy* was developed in the context of public sector. Gouldner (1954a) was the first academic to apply Weber's (1922) concept of *bureaucracy* in the context of a private sector plant. In his study of a New York gypsum mining plant, Gouldner (1954a) conceptualised three patterns of bureaucracy, namely; *mock bureaucracy*, representative bureaucracy and punishment-centred bureaucracy. Firstly, according to Gouldner (1954a: 216), a mock bureaucracy is a situation in which management and workers collude not to follow a rule (i.e., an indulgency situation). He used the example of the 'no smoking rule' to illustrate the mock bureaucracy pattern. In this case, neither management staff nor workers strictly followed the no smoking rule, instead they made a 'mockery' of it by smoking on the plant site. This pattern depicts a situation in which there is a failure by management to enforce rules and failure by workers to obey rules which creates a little tension between the two groups (Gouldner 1954a: 216). Gouldner (1954a) noted that the mock bureaucracy predominated when old Doug managed the plant.

Secondly, according to Gouldner (1954a), representative bureaucracy is a situation in which rules are enforced by management and obeyed by workers. These rules are jointly initiated by management and workers with both groups viewing the rules as their own.



Dispatch: □ LE ☐ CP

21-2-2017 Pages: □ TYPESET DISK

A. Chand

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Gouldner used the example of the 'Occupational Health and Safety' rule to illustrate representative bureaucracy. In this case, he argued that the OHS rule is enforced by management and obeyed by workers. Workers who deviate from this rule are viewed as careless and are given a warning. Gouldner (1954a) argued that representative bureaucracy generated a few tensions at the plant, but there were no overt conflicts (Gouldner 1954a: 216; Gouldner 1954b).

Thirdly, Gouldner (1954a) explained that punishment-centred bureaucracy is a situation where management would punish workers if they did something wrong, and vice versa, where workers would punish management (via their trade union) when the managers did something wrong. In other words, this is a form of 'reciprocal punishment'. In a punishment-centred bureaucracy, rules are not jointly initiated by management and workers, but rather arise in response to pressure created by either party. These rules generate considerable tension and conflicts between management and workers (Gouldner 1954a: 216). Gouldner (1954a) further divided punishment-centred bureaucracy into two sub-types: the disciplinary pattern and the grievance pattern. In the disciplinary pattern, management punishes workers if they do something wrong, such as being absent from work. The grievance pattern is a situation in which workers punish management when management is at fault. Gouldner (1954a) used the example of a 'job bidding system' in which the company rule stipulated that management must advertise any vacancies on the plant notice board so that existing workers can 'bid' for the jobs. If this rule is not followed by management, then workers (via trade unions) can challenge management.

In summary, Gouldner (1954a) organised his discussion of patterns of bureaucracy around an argument about the varied roles of key actors in the rule-bound (rather than idiosyncratic, paternalistic or despotic) context in which the open-ended labour contract can be regulated. His analysis provides a finite set of possibilities inherent in all employment relationships like that of managers and workers jointly ignoring rules promulgated by outsiders (mock bureaucracy), both parties jointly negotiating and supporting rules (representative bureaucracy) or either party seeking to impose rules on the other (punishment-centred bureaucracy). Furthermore, Gouldner's (1954b) analysis was particularly concerned with exploring how these different facets of bureaucratisation clashed and coexisted over time within the firm that he studied. His typology was designed to explore the underlying dynamics, strengths and limitations of bureaucratic regulation of the labour contract and how these features produced a range of characteristic tensions and partial resolutions.

The next section highlights the criticisms of Gouldner's theory and how his theoretical framework can be extended.

#### 5.2 Limitations of Gouldner's Theoretical Framework and Scope for Expansion

A number of authors have engaged with Gouldner's (1954a) patterns of bureaucracy. The main criticism of Gouldner's (1954a) theoretical framework was from Burawoy (1982). Burawoy (1982) in his article identifies five limitations of Gouldner's framework. Firstly, he argued that by focusing only on the 'firm' level, Gouldner does not situate management control systems within the context of the wider 'socio-economic-political' environment of a capitalist society and that by neglecting this aspect and the variations in the amount, degree, and type of bureaucracy found in plants in capitalist societies are not taken into account. Secondly, Burawoy (1982: 835) asserts that Gouldner did not explain how management control systems change in relation to other factors, such as market forces and





Journal : Small 11205 Article No. : 1583 MS Code : SOCI-D-15-00578 Dispatch :

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21-2-2017

Pages: 18

□ TYPESET

□ DISK

Expanding Gouldner's Theory of Patterns of Industrial...

reappear in a cyclical manner (Burawoy 1982: 836). Thirdly, Burawoy (1982) claims that Gouldner did not highlight how stiff competition in markets lead to the *exploitation* of workers, which in turn leads to the rise of *industrial conflict*. Fourthly, Burawoy (1982) argues that Gouldner did not explain that industrial *conflict* is related to capitalists' constant pursuit of *valorisation of profit* (Burawoy 1982: 832). Finally, Burawoy (1982) argues that while Gouldner acknowledged *resistance* in the General Gypsum plant, he did not situate it within the wider context of capitalist development in USA.

Furthermore, Hallett and Ventresca (2006) argue that Gouldner's theoretical framework can be expanded by incorporating the 'symbolic social inter-actionist' approach to explain the role of actors in organisations. Moreover, Adler (2010) challenges both Weber's (1922) and Gouldner's views of bureaucracy as 'coercive' force. In contrast, he argues, bureaucracy can be on the one hand 'enabling' (have a positive feature) and on the other hand 'coercive' (have a negative feature, e.g., punishment).

The next section applies Gouldner's theory within the context of the Fijian garment industry and identifies a number of relevant gaps.

# 6 Research Findings and Application of Gouldner's Theoretical Framework

When we apply and examine Gouldner's (1954a) theory in the context of the Fijian garment industry, the research findings reveal some similarities and variations. Firstly, Gouldner's concept of *representative bureaucracy* provides an applicable explanation of the situations occurring in garment plants in Fiji. For example, plant rules (e.g., working time, OHS rules) are *enforced* by management and *obeyed* by the workers in the Fijian garment plants.

Secondly, Gouldner's (1954a) concept of *punishment-centred bureaucracy* applies because workers are punished for not obeying rules (e.g., not starting work at exactly 7:30 a.m.). However, in contrast to Gouldner's (1954a) case study in USA, the Fiji example reveals that the rules of Fijian garment firms are much *worse*, *stricter* and punitive The first sub-type of *punishment-centred bureaucracy* (i.e., *disciplinary bureaucracy*) identified by Gouldner's (1954a) is much harsher in *degree* in the Fijian garment plants compared to Gouldner's case study of the gypsum mining plant. For example, if workers are late at their work stations in a factory by a few minutes (5 min), then 15 min of wages are docked (interviews with garment workers, October 2014). This *punitive labour regime* is explicitly expressed by 'punitive garment factory rules' which are part and parcel of management control techniques and the attempt to reduce wage cost. Such situation is what Peet (1991: 12) calls a 'bloody Taylorist' labour regime and this exists in the Fijian garment industry.

The second sub-type of Gouldner's (1954a) punishment-centred bureaucracy (i.e., grievance pattern) is missing in the Fijian garment industry because the garment workers in Fiji cannot openly punish management. In the Fijian garment industry, workers cannot punish management overtly because there are no trade unions in the industry and workers are afraid to lose their jobs. However, sometimes workers do punish management covertly for example by 'wasting fabric', 'cutting garments' during the final ironing stage and when loading garments into the containers for export (interviews with garment workers, September 2014; interviews with garment employers, September 2014; interviews with garment supervisors, October 2014).



A. Chand

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Thirdly, research evidence shows that Gouldner's (1954a) concept of mock bureaucracy

at the 'firm' level in garment plants is not present. However, the research finding does reveal that a different kind of mock bureaucracy (collusion) exists between the state and employers and not between management and workers as conceptualised by Gouldner. The Fiji evidence shows that the state is lenient with employers by not enforcing majority of the labour rules in the Fijian garment industry. It is this finding that reveals features of a new type of bureaucracy (called *mock state bureaucracy*) which this article aims to develop. Burawoy (1982: 835) has correctly argued that "Gouldner by focusing at the 'firm' level does not situate worker exploitation within the broader socio-economic-political environment of a capitalist society" (my emphasis). Gouldner's (1954a) concept of mock bureaucracy has limited explanatory power and it can be expanded by developing the new concept mock state bureaucracy which allows us to also incorporate the 'state' as a unit of analysis. This new concept is better able to illuminate on the situation which exists in industrial plants in poor developing third world countries. Furthermore, the new concept of mock state bureaucracy developed in this paper will be able to clearly explain the phenomenon of collusion between the state and the employers and the non-enforcement of labour laws by the 'state' in developing countries.

Dispatch:

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21-2-2017

Pages:

DISK

TYPESET

Gouldner himself has acknowledged the limitations of his theory. He noted: 'it is not the intention to imply that each pattern of bureaucracy is equally important or powerful within a given organisation. Future research must take this as a problem, resolvable only by the empirical findings in each case' (Gouldner 1954b: 216, my emphasis). Hence, Gouldner (1954b) admits that there are possible gaps which need to be filled by future research. Therefore, this article attempts to expand framework by developing the new concept of mock state bureaucracy to explain the mockery of not enforcing national labour rules by the state and the collusion between the state and the employers.

## 7 Theory Development: Concept of *Mock State Bureaucracy*

As mentioned earlier, Gouldner's theoretical framework and particularly the concept of mock bureaucracy was only intended to apply at the 'firm' level and not beyond (such as the 'state' level). Gouldner's theory only focused on the 'internal' rules of firms and not the 'external' rules (i.e., government labour rules) which are not followed by both the state and management. On one hand, the state creates a situation of mockery by not enforcing its own labour rules; and on the other hand, the *employers* make a *mockery* by not abiding to the government's labour rules. Thus the new concept of mock state bureaucracy developed here will be able to capture this and will allow us to enlarge the unit of analysis from the existing micro 'firm' level analysis to a macro 'state' level analysis for us to fully understand the management control and worker exploitation in industrial plants in poor third world economies.

This article defines the new concept 'mock state bureaucracy' as: a situation in which there is collusion between the state and employers and there is a failure on the part of the employers to follow rules and the state not enforcing its labour laws with the hidden agenda of serving the interests of capital vis-à-vis those of labour. The state creates a situation of mockery by not enforcing its own labour rules. This practice creates a little tension and conflict between the state and employers at the expense of employees. There is some resistance from employees, but they are unable to change the situation.



Dispatch: □ LE ☐ CP

21-2-2017

Pages: 18 TYPESET DISK

Expanding Gouldner's Theory of Patterns of Industrial...

343 The concept of the mock state bureaucracy encapsulates both the state side of collusion 344 but also the *employer side of collusion*. This is similar to a coin which has two sides: on 345 one side there is state side of collusion and on the other one side, is the employer side of 346 collusion. The next Sect. (7.1) discusses the state side of collusion and then Sect. 7.2 will 347 discuss the employer side of collusion.

#### 7.1 State Side of Collusion

The research findings show that the Fijian state plays three enabling roles in encouraging management control of labour in plants, first, by attracting MNCs; second, by facilitating the exclusion of unions from the garment sector; and thirdly, by effecting mock bureaucratic regulation of employment relations through nugatory unenforced labour laws (Deyo 1989; Edwards 1979; Fröbel et al. 1980; Burawoy 1982; Heyes and Nolan 2010; Peet 1991; Author 2011).

#### 355 7.1.1 State: Attracting MNCs and Providing Lucrative Financial Incentives

The Fijian state has attracted Asian MNCs (mainly Chinese MNCs) through financial incentives such as 'Tax Free Factories' (TFF), and 'Tax Free Zones' (TFZ), import tariff exemption on imported raw materials needed by garment firms (Grynberg and Osei 1996; Author 2011). As mentioned earlier, there have been four military coups in Fiji and after each coup Fiji's traditional trading partners (Australia, New Zealand, the United Kingdom, EU and USA) had put economic embargo and stopped inflow of foreign aid to Fiji as a condition to make Fiji return to political democracy (Fiji Trade and Investment Bureau Records, 1987–2015). As Fiji's economy is heavily dependent on foreign aid and soft loans, the four military coups resulted in major economic crises, and in response, the successive military led Fiji governments have tried to revive the economy by inviting foreign investors in Fiji (Author 2012b).

Furthermore, after the 1987 coup, the World Bank and the IMF recommended Fiji to establish a garment industry to revive its economy and thus after 1987 the Fiji garment industry began to grow (Grynberg and Osei 1996). The Fijian government had adopted the Structural Adjustment Policies (SAPs) to switch Fiji's economy from 'Import Substitution Policy' to 'Exported Orientated Policy' (Grynberg and Osei 1996).

Moreover, the Fijian state has given soft loans to MNC firms via the state-owned Fiji Development Bank (FDB) (Fiji Bureau of Statistics 2015a, b). This role is similar to that played by development banks in Asia in assisting business (Devo 1989; Edwards 1979; Wade 1990). Most MNCs took advantage of the accessibility of these loans and used local Fijians as joint-venture partners to obtain loans from the FDB. During the interviews, most MNC garment employers mentioned that they have borrowed funds from FDB, rather than using their 'own foreign capital' because they do not intend to operate in Fiji for long and hence (interview with foreign garment employers). As a result, 'fly-by-night' foreign garment firms can easily close their plants and exit Fiji without paying the loan, informing the government and workers (interview with general secretary of the Fiji Trade Union Congress (FTUC), 19 November, 2014).



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Pages:

21-2-2017

Dispatch:

A. Chand

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## 7.1.2 State: Providing Generous Labour Market Provisions

The Fijian state has also provided generous flexible labour market provisions for MNCs. For example, the Fijian state has allowed foreign workers in Fiji and Chinese MNCs bring Chinese garment workers from mainland China (Fiji Trade and Investment Bureau Records, 10 February 2015). These foreign workers are used as 'pace-setters' in the production line and employers have forced Fijian workers to work at their speed and have intensified work. This is similar to what Frederick Taylor's 'time motion' study did when he introduced Scientific Management principles in Ford Company in USA. Furthermore, Chinese garment firms pay workers by 'piece rate' and not hourly minimum wage rate (interviews with Chinese employers and workers, 2014). This practice has forced the more progressive employers to pay workers less. For example, during the interviews, the Australian and New Zealand garment MNC employers mentioned that they are willing to pay higher wages and provide better working conditions to Fijian workers, however, they do not because they go along with the 'going pay rate' determined by the Asian MNCs and local Fijian firms. This indicates that the pay rate and work conditions in garment firms are dictated by the Asian MNCs, hence, with the entry of Asian MNCs in Fiji this has led to a 'race to the bottom' situation, with low wages and poor working conditions and little enforcement of decent labour standards by the Ministry of Labour officials. One of the reasons why the labour laws are not enforced by the Fijian state (specifically in the garment industry) is to appease the Asian MNCs operating in Fiji and discourage them from leaving Fiji. The Fijian state is aware that if it is too strict with the Asian MNCs then they will close shop and leave (interview with assistant general secretary of the Fiji Trade Union Congress, 21 November, 2014).

#### 406 7.1.3 State: Facilitating Exclusion of Trade Unions

The Fijian state has facilitated the exclusion of trade unions in the Fijian garment industry as a technique to attract foreign Asian investment. Especially, after four coups, the various military-led governments have bent backwards to attract Asian garment manufacturers and have assured them about operating in docile non-unionised labour market (FTIB 1987–2015).

There are four main reasons why there are no trade unions in the Fijian garment industry. Firstly, garment workers are afraid to form trade unions because they know that they will be terminated from work if their employer finds out that they are trying to form trade unions (interviews with workers, 4–18 December, 2014). Workers know that in the past, garment employers have unfairly dismissed workers who have attempted to form trade unions. These garment workers were labelled as 'trouble makers' and 'militant' (interviews with General Secretary of FTUC, 21 November, 2014).

The second reason why there are no trade unions in the Fijian garment industry is due to the *close management supervision* and *monitoring* by spies. Workers have mentioned that employers have their 'spies' (good boys and girls) in their factories and they quickly find out if any worker is attempting to form a trade union (interviews with garment workers, 4–18 December, 2014). Any attempt by workers to form a trade union in a factory is crushed quickly and workers involved are terminated (interviews with garment workers, 4–18 December, 2014).

The third reason is that despite numerous attempts by the two national trade union bodies in Fiji (the Fiji Trade Union Congress and the Fiji Islands Council of Trade Union), have failed to unionise the garment industry. There are three reasons why the two national



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Expanding Gouldner's Theory of Patterns of Industrial...

umbrella trade union bodies have failed: one, there is a strong opposition by garment employers in not allowing trade union officials to enter their plants; second, garment workers are *afraid to lose their jobs* and hence do not support any attempts made by national trade unions officials; third, the Fijian state has not supported the efforts by trade unions even though Fiji has ratified the ILO Convention No 87<sup>2</sup> (interview with General Secretary of FTUC, 19 November, 2014; interviews with garment workers, 2014).

Pages:

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TYPESET

Furthermore, even the progressive women's Non-Government Organisations (NGOs) in Fiji have been unsuccessful in assisting female garment workers to organise unions. For example, the Fiji Women's Crisis Centre (FWCC) and the Fiji Women's Rights Centre (FWRC) have highlighted and pressured the Fijian state to look into the plight of female garment workers and these have been ignored by the state (interviews with the president of Fiji Women's Crisis Centre, 14 December, 2014; president of the Fiji Women's Rights Centre). There are two reasons the Fiji Women's Crisis Centre (FWCC) and the Fiji Women's Rights Centre (FWRC) have failed in persuading the Fijian state to investigate the plight of garment workers. One reason is that the two NGOs in Fiji are small and not equipped with much resources to lobby the Fijian state (interviews with the president of Fiji Women's Crisis Centre, 14 December, 2014; president of the Fiji Women's Rights Centre). Another reason is that whenever FWCC and FWRC raise the plight of female garment workers, the Fijian state pretends it is looking into the problem and it 'sweeps the problem under the carpet' and lets garment employers 'off the hook' (interviews with the president of Fiji Women's Crisis Centre, 14 December, 2014; president of the Fiji Women's Rights Centre).

The fourth reason is that garment employers have lobbied the state to impose trade union restrictions as a condition for operating in the garment industry and future investment (interview with assistant general secretary of FTUC, 4 January, 2016). Garment employers individually and via the Fiji Textile, Footwear and Clothing Council they have aggressively lobbied the state not to support the unionisation of garment industries in Fiji (interview with former chairman of the Fiji Garment Wages Council, 3 November, 2014) and the Fijian state has acceded to this demand.

Finally, the pro-capitalist Fijian state has always had a negative view of trade unions and has not encouraged nor supported the formation of trade unions in Fiji (interview with General Secretary of FTUC, 19 November, 2014). As a result, neither the individual garment workers nor national trade unions have succeeded in unionising the garment sector. As Deyo (1989) notes, '...reliance on female labour in export-oriented industries and the lack of government support have *impeded* the formation of genuine trade unions in developing countries...'. Hence, the Fijian garment industry is *non-unionised* despite numerous attempts by garment workers, national trade union organisations and NGOs to form trade unions (interview with assistant general secretary of the Fiji Trade Union Congress, 21 November, 2014).

With regards to resistance by garment workers, there have been a handful of protests and sit-ins during the initial period (1990) when the garment industry in Fiji started and these occurred mostly in Chinese owned garment firms and some local owned firms. To date, there are no major strikes or civil disobedience that can hit hard at employer profits. As mentioned earlier, since the garment industry mostly consists of illiterate and poor female workers and they do not have a choice but to 'work' to feed themselves and their families. The fear of losing their jobs (job insecurity) prevents workers to resist garment employers (interviews with garment workers, 2014).

<sup>&</sup>lt;sup>2</sup> The 'Freedom of Association' (1948) No 87 is one of eight core conventions of ILO.



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Thus, the state-employer collusion has curtailed trade union power and workers' rights to form trade unions in the Fijian garment industry despite the fact that the labour legislation stipulates that there is 'freedom of association' for workers in Fiji to join any trade union of their choice. Similar to most developing capitalist countries (such as Bangladesh, Sri Lanka), the Fijian state is more pro-employer as opposed to supporting workers and trade unions (Deyo 1989; Edwards 1979). This issue of the state excluding trade unions

from the garment industry in Fiji reveals a typical feature of a mock state bureaucracy.

One of the reasons why workers in developing third world countries are unable to overcome state-employer collusion is that employers have greater power to lobby the state vis-à-vis workers. As mentioned earlier, garment employers are supported by their Employers' Association (the Fiji Textile, Footwear and Clothing Council (FTFCC) which lobbies government. Another reason is that the degree of democracy in the developing third world countries is not the same as that of the developed countries, thus limiting trade unions in the former who do not have the same level of freedom of speech to pressure government. The state-employer collusion is similar to what Edwards (1979) and Deyo (1989) found in their studies of Asian countries. Edward's (1979) argues that "...the economic-political alliance between capital and state has led to authoritarian control over labour in plants in Asia" (Edwards (1979), my emphasis). Similarly, Deyo, (1989) in his study on Asian countries has argued "...the state in developing Asian countries have made trade unions weak and curtailed their power". Ironically, the Fijian state is 'regulatory' with regards to trade unions and 'non-regulatory' with regards to employers and this reveals features of mock state bureaucracy.

#### 7.1.4 State: Non-Enforcement of National Labour Rules

The Fijian state has constructed a mock state bureaucratic regulation of employment relations through nugatory unenforced labour laws. The Fijian state has watered down its labour standards in the garment industry to attract the Asian garment MNCs to operate in Fiji. To maintain the flow of foreign capital, the Fijian state has not enforced its labour rules especially in the garment industry and thus garment employers have taken advantage of this laxity. Paradoxically, on the one hand, the Fijian state has enacted a progressive (worker friendly) labour legislation; however, on the other hand, it does not enforce all clauses of legislation in garment plants (a regressive step). Examples of labour legislation rules which are typically not enforced by the 'state' in developing countries (including Fiji) are: paying minimum wage rate, payment of overtime rates, holiday pay, sick leave pay, maternity leave pay, unfair dismissal on grounds of pregnancy and Occupational Health and Safety (OHS) rules.

The non-enforcement of labour standards in Fiji is also apparent in other industries such as mining, construction, security services, printing, retail and cleaning industries (interview with assistant general secretary of FTUC, 4 January, 2016). These industries unravel the issue of mock state bureaucracy, but they are not as bad as the garment industry. Only recently in 2015, the Fiji government has implemented the national minimum wage of \$F2.32 (\$USD1. 20) but even this is not applied in the garment industry as it follows the old Wages Councils Regulations (Government of Fiji, National Minimum Wage Regulation, 2015). Currently, there are ten Wages Councils Regulations<sup>3</sup> and they contain the

<sup>&</sup>lt;sup>3</sup> The ten Wages Councils Regulations are the Garment Industry; Mining and Quarrying Industry, Sawmilling and Logging Industry; Road Transport Industry; Building, Civil, Electrical, and Engineering Trade; Printing Industry; Wholesale and Retail Trade; Hotel and Catering Trade; Manufacturing Industry; and the Security Trade (MoL website, accessed, 4 January 2016).

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minimum wages and conditions which employers are obliged to follow (Government of Fiji 2015, National Minimum Wage Regulation). However, in some industries (particularly in the garment industry) employers do not abide by the rules pertaining to minimum wages and working conditions because they know that they will be left 'off the hook'. They are aware that the 'state' (via Ministry of Labour officials) will not be strict on them and labour inspectors will not inspect their factories and check on whether or not they are adhering to labour rules. Most garment employers do not follow all the labour laws because they know that they can 'get away' with this and know that they will not be penalised by the state for failing to do so.

There are a number of examples in other industries in Fiji where the employers have not followed labour rules. One example is the Mining and Quarrying Industry is exempted from the OHS Act (2006) which is ironic because this is a more hazardous industry where most workers are injured in a year (MOL, OHS Records 2000–2015). The second example is, in the Sawmilling and Logging Industry some employers do not provide steel gloves for workers to wear when they are using a timber cutting machine. Thirdly, in the Construction Industry and some workers do not wear safety boots and helmets and these rules are neither enforced by the employers nor the Fijian state. Fourthly, in the manufacturing and retail industries, not all employers are paid workers the minimum wage rate this issue is ignored by the Fijian state. Furthermore, in Fiji the labour officials do not normally inspect a plant unless they receive complaints from workers, highlighted by NGOs, or if malpractice is reported by the media. The above examples from a number of industries in Fiji unravel features of mock state bureaucracy. This non-enforcement of labour rules in Fiji epitomises similar situations in most third world developing countries (in Asia, African countries and Latin America) and thus the concept of mock state bureaucracy best befits such phenomena (Edwards 1979; Deyo 1989).

There is a deliberate 'lack of will' on the part of the Fijian state, and on most occasions, the state has 'turned a blind eye' and does not enforce its labour rules with the pretense the Ministry of Labour does not have enough factory inspectors (human resources) to inspect all the factories annually in Fiji (interview with a labour inspector; with interview with general secretary of FTUC, 18 November, 2014; interview with general secretary of FICTU, 19 November, 2014). Even the Minister of Labour in 2000 admitted that "there is a lack of enforcement of labour laws by its inspectors" (Narsey 2006: 62).

#### 7.1.5 State: Tolerates Punitive Factory Rules Imposed by Employers

During the visits to garment factories, we observed that in each factory, there were harsh rules written on the notice boards near the entrance of the factory (written rules). For example, 'a worker cannot go to toilet 15 min before and 15 min after the tea and lunchbreaks'. This factory rule contravenes Fiji's national labour legislation (the ERP of 2007) and these punitive factories rules are tolerated by the labour inspectors and the state. In addition, there are unwritten rules. For example, in all garment plants, security guards (normally males) check the personal handbags of workers and conduct body search (most of whom are women) every afternoon on the justification that workers are stealing any raw material from the plant (interviews with female garment workers, 2014). These punitive factory rules and bad practices by employers are ignored and tolerated by the state.

The empirical evidence shows that the Fijian state has facilitated a poor labour regime by failing to enforce its own labour laws to protect the interests of capitalists in various industries especially in industries which employ manual workers. The harsh working conditions and exploitation of workers in the Fiji garment industry is not novel as similar



Dispatch: □ LE ☐ CP

21-2-2017

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situations exist in the garment industry of Bangladesh, Sri Lanka, Pakistan, India, Vietnam, Cambodia and China (Miller 2012; Li and Edwards 2008). The finding that the Fijian state does not enforce its own labour legislation reveals the pattern of a mock state bureaucracy.

Moreover in addition to the state side of collusion, there is also employer side of collusion. The next Sect. (7.2) will discuss the employer side of collusion.

#### 7.2 Employers Side of Collusion

The research finding shows that in addition to the state side of collusion, there is also the employer side of collusion in the Fiji garment industry and this section unravels this issue in more depth.

There are four main reasons why garment employers are non-compliant: firstly, employers are aware that Fiji government needs foreign investment and therefore they know that the Fijian government would not put too much pressure on their business to abide by the labour rules; secondly, garment employers through their employers association strongly lobby government to be lenient on them; thirdly, employers know about lack of monitoring and enforcement of rules by labour inspectors; and fourthly, labour inspectors can be bribed (interviews with garment employers, September 2014). The author was able to get information on this issue non-compliance from some garment employers who were willing to disclose more about the hidden aspects of the garment industry in Fiji (insider information). The details of each of these reasons are explained below.

#### 7.2.1 Employers: Know Fiji Needs Foreign Investment

During the interviews, garment employers mentioned that they know that the Fijian government needs foreign investment and would not be strict with them to comply with labour rules. Employers are aware that the Fijian government would not take the risk of losing foreign investment by strictly enforcing its labour law and be harsh on businesses (interviews with garment employers, September 2014). The garment employers are aware that the Fijian government will be more tolerant and facilitating rather than be strict with them. As mentioned earlier, Fiji has had four military coups and garment employers know that after each coup, the Fijian government has desperately sought to attract foreign MNCs with the promise of flexible labour market and docile labour force (interviews with garment employers, September 2014). For example, one Chinese garment employer mentioned that:

"We Chinese business people know that the Fiji government is getting aid from China and so the government is relaxed to us" (Interview Chinese garment employer, August 2014).

Similarly, a foreign garment employer highlighted:

"I know the Fiji government needs foreign investment and I provide jobs to Fijian people and I use this knowledge to my advantage. When the government officials come to factory, I tell them if they put too much pressure my business, I will close factory and go to Bangladesh." (Interview with a foreign Bangladesh garment employer, August 2014).



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21-2-2017

Pages: 18 TYPESET DISK

Expanding Gouldner's Theory of Patterns of Industrial...

#### 7.2.2 Employers: Lobby Government via Employers Association

The garment and footwear employers association in Fiji known as the Fiji Textile, Footwear and Clothing Council (FTFCC) pursues the interests of the garment employers (interviews with officials of FTFCC, June 2014). Marjority of employers are members of the FTFCC and employers use FTFCC to lobby with the government to be lenient on them as they provide employment and bring in foreign investment. The FTFCC has more power and leverage especially in the absence of trade unionism in the garment industry. The FTFCC lobby's the government on issues such as keeping the wages low, de-regulation of labour legislation, financial subsidiaries and to reduce import duties on raw materials (interviews with garment employers, June 2014).

61. AQ3 Furthermore, as an employer body, the FTFCC is also actively involved in wage-setting process. <sup>4</sup> The wages for the garment industry is set by the Fiji Garment Wages Council. The membership of the Fiji Garment Wages Council consists of two representatives from employer organisation (FTFCC) and two representatives from the national trade union body (the Fiji Trade Union Congress) and the meetings are chaired by a government appointed chair person (MoL website, accessed, 4 January 2016). The average wage increase per year is about 5-10 US cents (MOL Website, accessed November 2014). During the interview, the former chairman of the Fiji Garment Wage Council highlighted that during his time in office, the FTFCC representatives always strongly opposed the increase of wages and they would only agree to small increase (few cents) in workers' wages (interviews with former chairman of the Garment Wage Council; and interviews with the General Secretary of the Fiji Trade Union Congress, 19 November 2014). The former chairman mentioned that the employer representatives always disputed any major wages increase in the garment industry with the justification that they will become less competitive with overseas countries and most foreign garment firms will exit Fiji and go to Asia (interviews with former chairman of the Garment Wage Council, December 2014). The garment employers mentioned that they know that the state will not let the Fiji garment industry to fail as it bring foreign exchange and provides employment for unskilled workers. For example, one Fijian garment employer mentioned that:

634 "Our employer body (FTFCC) is very strong and through this body, I have con-635 tinuously told the officials to not to agree on a big increase in wages and if the 636 government puts too much pressure on my business, then I will leave Fiji." (Inter-638 view with a Fijian garment employer, July 2014).

#### 7.2.3 Employers: Aware Lack of Monitoring by Labour Inspectors

640 During the interviews, the garment employers mentioned that they know (from years of 641 experience) that normally the labour inspectors will not visit their factory annually to check 642 on whether they are abiding by labour rules or not. Under Fiji's labour legislation (Em-643 ployment Relations Promulgation of 2007), labour inspectors are required to visit all firms 644 on an annual basis and report on any infringement of law, but this does not take place. The 645 reason is that Fiji has around only twelve labour inspectors and it is impossible for them to

The minimum wages of garment workers in Fiji are set annually by a tripartite forum named the Fiji 5FL01 5FL02 Garment Wages Council.



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<sup>4</sup>FL01 The minimum wages of garment workers in Fiji are set annually by a tripartite forum named the Fiji 4FL02 Garment Wages Council.

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21-2-2017

TYPESET DISK

Pages:

A. Chand

646 visit all factories and the employers know this and they are non-compliant with labour 647 rules. To quote one Indian employer:

> "Labour inspectors hardly come to my factory. Last time they visited my factory was five years ago. I know this and so I am not pressured to follow the government rules. Only when workers have lodged a complaint with the labour department then a labour inspector visits my factory to discuss the grievance and we try to solve it. (Interview with a Indian garment employer, June 2014).

#### 7.2.4 Employers: Bribery and Corruption

During the interviews, three garment employers have admitted giving bribes (money and alcohol) to factory inspectors to appease them. For example, one foreign Chinese garment employer told me that most employers bribe labour inspectors. Furthermore, this Chinese employer mentioned that most Chinese garment employers normally give bribes to labour inspectors (interview with a Chinese garment employer, December 2014). Similarly, a Bangladeshi garment employer told me that he had given a carton of beer to a labour inspector during Christmas time in 2014. This Bangladeshi employer revealed:

"Last year, one inspector came to my factory and he told me that a worker had complained that I did not pay her annual leave, sick leave, etc. The inspector told me that I need to pay her \$F650. During the meeting session with me, the inspector hinted that Christmas is in 3 weeks' time and if I gave him beer, then he will convince the worker to accept \$200 and settle the problem. We agreed and I gave the inspector beer and matter was solved." (Interview with a Bangladeshi garment employer, July 2014).

Thus, the research finding from the Fiji garment industry highlights that both the state side of collusion and the employer side of collusion exists and these two aspects are part and parcel of mock state bureaucracy.

In summary, the Fijian state has in fact facilitated a punitive labour regime in the garment industry by attracting Asian MNCs, promising them a supply of cheap and docile labour, excluding the trade unions, not enforcing its labour laws and turning a blind eye towards punitive labour rules and working conditions imposed by garment employers. The evidence reveals that the Fijian state has discouraged the formation of trade unions, curtailed labour standards and held down wages. Without the protection of the trade unions and the state assisting capital, it is easy for autocratic garment employers to exploit and illtreat workers. The Fijian state's facilitation of inward investment by MNCs and watering down of its labour standards reveals features of a mock state bureaucracy. The workers in Fiji are faced with collusion between the 'firm' and the 'state' which has created and facilitated a 'bloody Taylorist' labour regime in Fiji to the detriment of workers (Peet 1991). The evidence from the Fijian case study illustrates the features of a mock state bureaucracy whereby there is a failure on the part of the Fijian state to enforce its labour laws in plants with the hidden agenda of protecting and advancing the interests of 'capital' vis-à-vis the interests of 'labour'. Therefore, this article by using Gouldner's (1954a) concept of mock bureaucracy has extended his unit of analysis from the 'firm' level to the 'state' level by developing the concept of a mock state bureaucracy and this new concept is

Interview with a Bangladeshi garment employer, July 2014.



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Interview with a Chinese garment employer, December 2014.

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Expanding Gouldner's Theory of Patterns of Industrial...

able to better illuminate the features of the state in protecting the interests of employers at the expense of the employees. The article argues that the 'state' is an important unit of analysis and it has to be brought back to the centre stage of any discourse on employment relations of developing countries. The concept of the mock state bureaucracy expands Gouldner's (1954a, b) analytical framework from the micro 'firm' level to the macro 'state' level and allows us to better understand employment relations in developing economies.

This article has argued that the new concept mock state bureaucracy provides a better illustration of the state-employer collusion. Gouldner (1954a: 216) had developed the concept of mock bureaucracy (collusion between management and workers) but this article extends Gouldner (1954a) theoretical framework from 'firm' level to 'state' level by developing the concept mock state bureaucracy which elucidates the state-employer collusion.

#### 8 Conclusion

This article has argued that although there is adequate literature on the topic of stateemployer collusion in the non-enforcement of labour legislation, the literature is barely underpinned by any theoretical framework. This article has attempted to rectify this and contributes to the literature by proposing and developing the concept of a mock state bureaucracy to theoretically illuminate the concept of state-employer collusion not to enforce labour legislation. The central argument of this article is that we must move the analysis beyond 'firm' level and incorporate the 'state' as a unit of analysis. The 'state' is an active player in a capitalist society especially when supporting management control in firms. This article has returned the analytical tool of the 'state' to centre stage by developing the concept of a *mock state bureaucracy*. On the surface, the *state* may appear to be external to the firm, but in reality it is part and parcel of promoting management control of labour at the firm level. By using the concept of a mock state bureaucracy, we can further understand the discourse on state-employer collusion in which the interests of capital are protected at the expense of labour. Finally, this article has further contributed to the literature of employment relations in developing third world countries. More future studies on state-employer collusion can be conducted in other developing to further evidence of a mock state bureaucracy and develop the concept further.

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