

DOCTORAL THESIS

Production relocation to southeast Asia: electronics transnational corporations in Vietnam

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ABSTRACT

After the turn of the new millennium, the transformation of the ‘World Factory’ – China under the restructuring Asian production network has been increasingly witnessed. Due to the changing dynamics at local, national, and global levels, production relocations of the labor-intensive industries from coastal China to the developing countries nearby, such as Vietnam, have been observed. Yet, little attention so far has been focused to see how these industries and the firms have been relocated out of China and reorganized their production networks.

Since the last decades, the global production network (GPN) approach in economic geography has been widely applied to study geographically dispersed production activities. Notably, the newly developed ‘GPN 2.0’ theory has offered a framework to systemically understand the ways the transnational corporations (TNCs) have interacted with various firms and non-firm actors to orchestrate their production networks at different scales. Hence, drawing mainly upon the notions from the GPN 2.0 theory, particularly the firm-specific strategies, as well as the ideas from other social science studies, such as the institutional perspective, to develop a more comprehensive analytical framework, and taking the consumer electronics industry as a case, this thesis looks into the current production relocation from China to Vietnam, and the restructuring of the electronics production networks, particularly in Asia, since the late 00s.

To be more explicit, based on extensive field investigation since December 2017, especially in-depth interviews in both host and home regions, the current study examines, firstly, a broader picture of the restructuring of the global and Asian electronics production networks and the participation of Vietnam into the networks; secondly and more specifically, how firms from different origins, including the relatively established TNCs from Asian newly industrialized economies (NIEs) and the emerging TNCs (ETNCs) from emerging economies, such as China, have spatially and organizationally reconfigured their cross-border production networks in Vietnam.

This thesis argues that the restructuring of the Asian electronics production networks is not only a sequential production relocation solely led by TNCs from Japan and the NIEs, but it is also driven by the ETNCs from China. Changing roles of emerging and developing countries, such as Vietnam as an assembly hub and an

emerging market and China as an intermediate good's exporter, in the restructuring process have been witnessed. This study also illustrates that various closeness of the firm-state relationships has led to different results of the extra-firm bargaining process between the TNCs and the multi-scalar host institutions and thus the production relocation and the strategic coupling outcomes. As for the ETNCs originated from China, the current study showcases that the inherent legacies of the home institutions embedded in these firms have significantly impacted both spatial and organizational configurations of their production networks in Vietnam.

Apart from empirically updating the restructuring and regionalization of the electronics production networks in Asia, particularly in developing Southeast Asia, this thesis enriches the economic geography literature primarily by taking the actors from the emerging and developing economies, which have been largely ignored in previous conceptualizations of the GPNs, particularly the ETNCs as well as the multi-scalar institutions in both host and home regions, into account.

KEYWORDS: cross-border production relocation, global and regional production network, reconfiguration, consumer electronics industry, Vietnam

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