



RHODES UNIVERSITY
Where leaders learn

DEPARTMENT OF SOCIOLOGY

INDUSTRIAL & ECONOMIC SOCIOLOGY HONOURS

2020

CRITICAL COMMODITY STUDIES



LECTURER: MR KANYISO NTIKINCA

INTRODUCTION

Globalisation refers to the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders. One important way that national economies are integrating is via Global Value Chains (GVCs), which consist of a range of activities that bring a product or a service from its conception to its end use by final consumers. At each step in the chain, value is added in some form or other. The GVC perspective is an effective means of conceptualising the forms that globalisation takes, in terms of how countries and firms are globally integrated, in a manner that traditional social and economic analysis have not been able to do. Research that falls under the 'GVC' label originated (in the late 1970s) from the Global Commodity Chain (GCC) concept, which was rooted in the world systems theory tradition.

World-systems scholars contend that global commodity chains are not a recent phenomenon, but have been an integral part of the functioning of the capitalist world-economy since it came into existence in the sixteenth century. The world systems thesis assumes that the world is divided into core, periphery, and semi-periphery nations. These categories describe each region's relative position within the world economy, as well as certain internal political and economic characteristics. Technology is a central factor in the positioning of a region. As such, advanced countries constitute the core, whilst less developed countries make up the periphery. A defining feature of this inter-regional relationship is that the powerful and wealthy 'core' regions dominate and exploit the weak and poor 'peripheral' regions. Semi-peripheral nations stand between the core and periphery in terms of economic power.

Semi-peripheral nations represent either core regions in decline or peripheries attempting to improve their relative position in the world economic system. These nations act as buffer zones between the core and periphery of the global economy. Some may eventually fall into the periphery, as did Spain in the 17th and 18th centuries, and others may eventually rise into the core, as has modern Japan. Semi-peripheries deflect the anger and revolutionary activity of peripheries, and serve as profitable places for capitalist investment when well-organised labour forces in core economies cause wages to rise too fast. World system scholars thus concluded that semi-peripheral countries, such as South Africa, are key to reproducing and maintaining unequal relations between core and peripheral countries. This particular conclusion formed the conceptual underpinnings of global commodity chain research.

This means that, from its inception, the GCC framework was established as a conceptual mechanism to analyse and explain the role played by commodity chains in reproducing unequal relations between core, semi-peripheral, and peripheral nations. Although GCC literature originated from the world-systems tradition, it later evolved into a pro globalisation development framework. The handful of scholars who pioneered this evolution, perceived GCCs as necessary mechanisms for the development of peripheral and semi-peripheral nations. As such, their studies had a strong micro-structural focus that unpacked the structure and functions of GCCs in specific industries and sectors around the world. This approach involved identifying the actors in the production and distribution of a particular good or service and mapping the kinds of relationships that exist among them.

GCC literature gives special attention to the role of lead firms in specific industries because of their influence over chain participants. Specifically, the GCC framework established that commodity chains are 'driven' by two kinds of lead firms: buyers and producers. *Producer-driven* commodity chains are those in which large, usually transnational, manufacturers play the central roles in coordinating production networks. *Buyer-driven* commodity chains refer to those industries in which large retailers, marketers, and branded manufacturers play pivotal roles in setting up decentralized production networks in a variety of exporting countries. In the 2000s, however, there was a shift in terminology from the 'global commodity chain' (GCC) to 'global value chain' (GVC). Research findings in GCC detected a shift in global production, which was stimulated by technological and industry/firm changes, to external networks (outsourcing).

In light of these changes, the static 'producer/buyer-driven chain' typology was dismantled to accommodate a GVC concept which facilitated a more dynamic view of analysing global commodity chains. This development resulted in GVC scholars identifying governance structures that re-emphasized the importance of the organizational context. As a result, five forms of governance were identified, namely: market, modular, relational, captive and hierarchical governance. This 'GVC governance' framework helped researchers explain why some value chain activities are firmly rooted in place, whilst others are more easily relocated. In sum, the GVC concept does not refer to significantly different things compared to the concept of GCC, but it is more ambitious in the sense that it tries to capture the determinants of the organisation of global industries. A third and more recent strand of research prefers to put the emphasis on the concept of 'network' rather than 'chain'.

In contrast to GVC research, the Global Production Network (GPN) framework seeks to understand (among others) how multinational companies affect the different regions around the world. To this end, the GPN concept depends on three interrelated variables. Firstly, the processes of value creation, enhancement and capture are scrutinized. Secondly, the distribution and operation of power of different forms within global production networks are studied. Thirdly, the embeddedness of GPN – how they constitute or are constituted by the social, economic, and political processes of the places they inhabit – is explored. In other words, the GPN approach contributes to our understanding of new forms of chain governance, spatially fragmented production systems, and the relationships between globalisation and regional development. Supporters of globalisation argue that connecting to global value chains is a powerful driver of economic growth, job creation, and rising living standards for developing countries.

These scholars argue that lead firms support economies at different levels of development by empowering production with better technology, knowledge, skills, and wages. This process is better known as economic upgrading, and is a key term used by neoliberal development scholars and policy makers. Early work on value chains described a process whereby global buyers would encourage firms in developing countries to undergo fast learning and upgrading in global commodity chains. This was inspired by evidence from East Asian garment firms that upgraded from low-end activities of the value chain to high-end activities, such as designing and branding. This particular research stance, however, assumes a direct causality between economic upgrading and the social upgrading of workers in developing countries. The concept of social upgrading originated from the International Labour Organization's (ILO) 'Decent Work' agenda, which promotes employment conditions that provide adequate remuneration, social security and sufficient protection of workers' rights.

There are also a number of ethical labour standards initiated by lead companies with the hope of promoting social upgrading down the value chain. At the opposite end of the spectrum, there is an emerging group of scholars that is beginning to question the orthodox economic assumption that economic upgrading automatically leads to social upgrading in GVCs. This level of scepticism is inspired by a growing series of cases studies that depicts the manner in which profitable export industries are characterized by domineering lead firms/retailers whose demands create precarious conditions for workers in the 'Global South'. These examples indicate that economic upgrading does not necessarily lead to social upgrading, as there is increased social downgrading of workers at the bottom of the global chains.

Against this backdrop, it is becoming increasingly obvious that GVC analysis requires a strong labour centric framework, in order to make sense of the growing social downgrading of labour in the age of global value chains. Yet in light of this onslaught, labour has not remained silent or passive, as there has been a strong worker/civil society response to the injustices experienced by labour at the hands of their employers within global chains. In essence, Sociological research aimed at analysing global capitalism should not avoid the key role played by labour and the exploitative conditions under which value is created at the bottom of the value chain. To this end, Marxist insights into capitalism are key to understanding global capitalism's incessant drive to externalise and outsource production to semi-peripheral and peripheral nations. From this perspective, it is evident that the social upgrading concept represents a top down (neo-classical economic) understanding of relations in global chains, as it purposefully ignores the predatory behaviour of lead firms that induce precarious working conditions at the bottom of global chains. This blind-spot (in the neo-classical economic approach to global chains) presents a serious challenge to achieving inclusive development in third world (global south) countries that are active participants in the global economy.

COURSE OBJECTIVES

The fundamental goal of this course is to introduce students to GVC analysis and discourse, as it is one of the best ways of understanding the processes of globalisation. GVC analysis has the conceptual tools to unpack the linkages that exist between trading partners in different parts of the world. To date, traditional social and economic disciplines have not been able to achieve this effectively; therefore, the study of GVCs will introduce students to a new way of analysing globalisation. It is important to note, however, that this course is not primarily concerned with 'capital to capital' (buyer-supplier) trade relations that take place within GVCs, but seeks to highlight the impact of these relations on wage workers and their communities in developing countries. By analysing the impact of these trade relations on workers in developing countries, then we can answer the broad question informing this course which is whether wage workers and their communities (in the global south) 'benefit' from their participation in GVCs. This course will enable students to identify the winners and losers in GVCs and subsequently help them adopt a more bottom-up conception of globalisation and GVCs.

COURSE STRUCTURE

This course will run from the 10th of February to the 27th of March 2020. It will consist of two seminars per week (on Mondays and Thursdays). The Monday seminars will be in the form of a lecture, whereby the lecturer will provide an overview of the theme for the week, whilst the Thursday seminars will consist of group presentations and discussions. Attendance at seminars is compulsory and a completion of a Leave of Absence (LoA) form, prior to the seminar, is required from students who are unable to attend a seminar.

ASSESSMENT

The course will be assessed as follows:

- **Group Presentations**

Every week, students will be divided into groups who will then be assigned different topics (by the lecturer) on the weekly themes of the course. These groups will be required to prepare and present 10 minute presentations that will be followed by in-depth discussions. Group presentations are an integral component of the student's class mark, therefore the onus is on the students to make an effort in both the preparation and the presentations. The weekly group presentations count 10% of the class mark.

- **Weekly Assignments**

Students are required to hand in one (1,500-2,000 word) assignment per week. These assignments must be typed and properly referenced. Students who have a leave of absence are still expected to submit their weekly assignment. Read Sociology Handout No. 1 for the penalties for late submission of assignments. The weekly assignments count 30% of the class mark.

- **Term Essay**

For the term essay, students are expected to choose one of the essay topics listed below. The essay must be typed and should not be more than 3,000 words, excluding title page and references. Exceeding the word limits for the essays and the assignments will result in the deduction of marks. Note that logical and critical argument is expected for post-graduate work. The term essay counts 60% of the class mark and must be handed in at the Sociology Department on the 23rd March 2020. In the absence of a valid reason, no extensions to the due date will be granted.

For the term essay, students must choose one of the following topics:

1. Discuss the linkages between the classical theories of development and the arguments presented by Maswood (2018) and Selwyn (2017) on the notion of development in the Global South.
2. The past two decades have seen a proliferation of literature on international trade and production networks. Such networks were first described as global commodity chains, then as global value chains, and most recently as global production networks. Unpack each of these variants and critically discuss how the changing scholarly perceptions on 'governance' in global chains has steered the metamorphosis of global chain research.
3. Using three case studies, critically discuss the role played by lead firms in facilitating or inhibiting the 'economic upgrading' prospects of suppliers/producers in developing countries.
4. Mainstream global chain scholars argue that there is a direct causal link between economic upgrading and social upgrading in global chains. For Gereffi and Lee (2016), this causal relationship can solely be realised through cooperative hybrid models of governance (which include key private, public, and social stakeholders). Critically discuss the fundamental weakness of this argument and explain why the current Global Labour Arbitrate (GLA) phenomenon undermines the efficacy of social upgrading in global chains.
5. Explain how the evolution of South Africa's agricultural policy framework (during and after apartheid), together with shifts in the global political economy, have affected key stakeholders, such as producers and farm workers, in the wine value chain of South Africa.
6. Provide a theoretical and practical discussion on the notion of 'worker agency' in global value chains. In your discussion, highlight the following: (1) the factors that determine the various methods of resistance adopted by workers, (2) the challenges that workers encounter in their quest to achieve decent work, and (3) also explain whether you think that worker agency alone can ensure sustainable social upgrading at the bottom of global chains.

Please consult Sociology Handout No. 1 for an outline of the University's policy on plagiarism, guidelines on the formatting and writing of assignments, the departmental rules regarding citations and references, and the criteria for assessing written work. A copy of the Assignment Cover Sheet, which must accompany all assignments submitted to the Department, is also available in Handout No. 1.

- **June Examination**

The June examination will be a four-hour paper consisting of six essay questions, from which students will be expected to answer three questions.

WEEK ONE: THEORIES OF DEVELOPMENT AND VALUE CHAINS

Colonialism can broadly be described as the political and economic subjugation, oppression and exploitation of one country by another, usually achieved through violent means (military force). Research indicates that one of the most documented forms of colonialism was that of European imperialism that spanned the world over through brute force and duplicitous means. As brutal a system as it was, colonialism was collectively met with great resistance, thus spawning a series of liberation movements around the world. Post-independence, former colonized nations were faced with the mammoth task of addressing the development backlogs left behind by their erstwhile colonial administrations. Regrettably, decades after independence from colonial rule, the combination of antagonistic internal and external forces have stifled the development trajectories of these nations. This section of the course will introduce students to the classical theoretical approaches and debates surrounding post-independence development discourse, as they form the theoretical bedrock of Global Commodity Chain (GCC) research.

Question:

Discuss the classical theoretical debates on post-independence development discourse and explain whether you think the current global capitalist trading framework is an ideal conduit of development for the Global South.

Key Readings:

Harrison, D. (1988). *The Sociology of modernization and development*. New York: Routledge. [Chapters: 1, 2 and 3].

Maswood, S.J. (2018). *Revisiting globalization and the rise of global production networks*. Cham, Switzerland: Palgrave MacMillan. [Chapter 5].

Oxfam. (2016). *An economy for the 1% - how privilege and power in the economy drive extreme inequality and how this can be stopped*. Available at: http://www.oxfam.org/bp120-economy-one-percent-tax-havens-180116-en_0OXFAM.pdf. [Accessed 20 August 2017]

Saad-Filho, A. & Johnston, D. (2005). *Neo-liberalism: A critical reader*. London: Pluto Press.

Selwyn, B. (2017). *The struggle for development*. Cambridge: Polity Press. [Chapters 1, 2, 4, 5, 6, 7 and 27]

Additional Readings:

Binns, T., Lynch, K & Nel, E. (2018). *The Routledge handbook of African development*. New York: Routledge. [Chapter, 2, 3, 4 & 5].

Hout, W. (1993). *Capitalism and the Third World*. Aldershot: Edward Elgar Publishing Limited. [Chapters 2, 3, 4, 5 & 6].

Oxfam. (2017). *An economy for the 99% - It's time to build a human economy that benefits everyone, not just the privileged few*. Available at: <http://www.oxfam.org/bp-economy-for-99-perfect-1601117-enOXFAM.PDF>. [Accessed 15 March 2018]

Oxfam. (2018). *Reward work, not wealth - To end the inequality crisis, we must build an economy for ordinary working people, not the rich and powerful*. Available at: https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-reward-work-not-wealth-220118-summ-en.pdf [Accessed 15 July 2018]

Rodney, W. (1972). *How Europe underdeveloped Africa* (Vol. 239). London: Bogle-L'Ouverture Publications. [Chapters 5 & 6].

Selwyn, B. (2014). *The global development crisis*. Cambridge: Polity Press. [Chapter 1].

Wallerstein, I.M. (2004). *World-systems analysis: An introduction*. Durham and London: Duke University Press.

Wallerstein, I. (2011). *The modern world-system I: Capitalist agriculture and the origins of the European world-economy in the sixteenth century* (Vol. 1). Berkeley, Los Angeles & London: University of California Press.

WEEK TWO: INTRODUCTION TO GLOBAL VALUE CHAIN RESEARCH

Over the past two decades, a growing body of literature on international trade and production networks has accumulated. Such international configurations were first described as Global Commodity Chains (GCC), later as Global Value Chains (GVC), and most recently as Global Production Networks. Each of these chain constructs are unique in their own right in that they possess their own history, disciplinary affinities, empirical concerns, and, arguably, their own political valences. Nevertheless, these frameworks collectively describe the sequence of processes by which goods and services are conceived, produced, and brought to market. This

section will introduce students to the field of Global Chain research and unpack its evolutionary trajectory.

Question:

Critically discuss the theoretical evolution of the Global Chain research, whilst highlighting the factors that influenced this evolution.

Key Readings:

Bair, J. (2009). Global commodity chains: Genealogy and review. In: Bair, J. (ed.) *Frontiers of commodity chain research*, pp. 1-34. Redwood City: Stanford University Press.

Coe, N.M., Dicken, P. & Hess, M. (2008). Global production networks: Realizing the potential. *Journal of Economic Geography*, Vol. 8 (3), pp. 271-295.

Dollar, D & Kidder, M. (2017). Institutional quality and participation in global value chains. In: World Bank's *Global Value Chain development report 2017: measuring and analyzing the impact of GVCs on economic development*, pp. 161-168. Washington DC: World Bank.

Gereffi, G. & Korzeniewicz, M. (1994). *Commodity chains and global capitalism*. West Port, Connecticut: Praeger Publishers. [Chapters 2, 5, 14].

Gereffi, G. (2001). Beyond the producer-driven/buyer-driven dichotomy: The evolution of global value chains in the internet era. *IDS Bulletin*, Vol. 32 (3), pp. 30-40.

Gereffi, G. (2019). *Global value chains and development: Redefining the contours of 21st century capitalism*. Cambridge: Cambridge University Press. [Chapter 1 and 2].

Henderson, J., Dicken, P., Hess, M., Coe, N. & Yeung, H.W.C. (2002). Global production networks and the analysis of economic development. *Review of International Political Economy*, Vol. 9 (3), pp. 436-464.

Hess, M. & Yeung, H.W.C. (2006). Whither global production networks in economic geography? Past, present and future. *Environment and Planning A*, Vol. 38 (6), pp. 1193-1204.

Hess, M. (2016). *Global production networks*. University of Manchester UK. Available at: <https://www.research.manchester.ac.uk/portal/files/70515260/wbieg0675.pdf> [Accessed 15 July 2018]

Neilson, J., Pritchard, B. & Wai-Chung, H.Y. (2017). *Global value chains and global production networks: Changes in the international political economy*. London and New York: Routledge. [Chapter 1 and 5].

Yeung, H.W.C. & Coe, N. (2015). Toward a dynamic theory of global production networks. *Economic Geography*, Vol. 91 (1), pp. 29-58.

Additional Readings:

Bair, J. (2008). Analysing global economic organization: embedded networks and global chains compared. *Economy and Society*, Vol. 37 (3), pp. 339-364.

Cox, R.W. & Wartenbe, M. (2018). The Politics of Global Value Chains. In R. Kiggins (ed.) *The Political Economy of Robots* (pp. 17-40). London: Palgrave Macmillan, Cham.

Davis, D., Kaplinsky, R. & Morris, M. (2018). Rents, Power and Governance in Global Value Chains. *Journal of World-Systems Research*, Vol. 24 (1), pp.43-71.

Dicken, P., Kelly, P.F., Olds, K. & Wai-Chung Yeung, H. (2001). Chains and networks, territories and scales: Towards a relational framework for analysing the global economy. *Global Networks*, Vol. 1 (2), pp. 89-112.

Hopkins, T.K. & Wallerstein, I. (1977). Patterns of development of the modern world-system. *Review (Fernand Braudel Center)*, Vol. 1 (2). pp. 111-145.

Maswood, S.J. (2018). *Revisiting globalization and the rise of global production networks*. Cham, Switzerland: Palgrave MacMillan. [Chapter 3 & 5].

Ruta, M. (2017). Preferential trade agreements and global value chains: Theory, evidence, and open questions. In: World Bank's *Global Value Chain development report 2017: measuring and analyzing the impact of GVCs on economic development*, pp. 175-183. Washington DC: World Bank.

Smith, A., Rainnie, A., Dunford, M., Hardy, J., Hudson, R. & Sadler, D. (2002). Networks of value, commodities and regions: reworking divisions of labour in macro-regional economies. *Progress in Human Geography*, Vol. 26 (1), pp. 41-63.

Smith, J. (2016). *Imperialism in the twenty-first century: Globalization, super-exploitation, and capitalism's final crisis*. New York: Monthly review Press. [Chapter 2].

Sturgeon, T.J. (2009). From commodity chains to value chains: Interdisciplinary theory building in an age of globalization'. In: Bair, J. (ed.) *Frontiers of commodity chain research*, pp. 110-135. Palo Alto, California: Stanford University Press.

WEEK THREE: GLOBAL VALUE CHAINS AND ECONOMIC DEVELOPMENT

Mainstream development scholars contend that developing countries stand to gain significantly from participating in the global economy. One strategic way that developing countries can participate in the global economy is through integrating into global chains, which constitute 80% of global economic trade. This section analyses the role of global chains as conduits of economic development for countries in the global south. In particular, it examines the proposed

hypothesis that lead firms, through their governance structures, facilitate the economic upgrading prospects of supplier/producer firms located in the global south. However, whilst lead firms have facilitated the economic upgrading prospects of some suppliers in the global south, research indicates that these very lead firms can also inhibit the growth prospects of suppliers when they anticipate competition in their profitable territories higher up the value chains. This is an important contradiction to unpack, as it brings to surface the real agendas of lead firms who feverishly outsource production to suppliers and producers in the global south.

Question:

Are global chains ideal “conduits of economic development” for the global south, considering the often ambiguous approach of lead firms towards their suppliers/producers in the global south? In your discussion, highlight the factors that facilitate and inhibit the upgrading prospects of suppliers/producers in the global south.

Key Readings:

Gereffi, G. (2019). *Global value chains and development: Redefining the contours of 21st century capitalism*. Cambridge: Cambridge University Press. [Chapter 4, 5 and 7].

Giuliani, E., Pietrobelli, C. & Rabellotti, R. (2005). Upgrading in global value chains: Lessons from Latin American clusters. *World Development*, Vol. 33 (4), pp. 549-573.

Humphrey, J. & Schmitz, H. (2000). *Governance and upgrading: Linking industrial cluster and global value chain research*. Brighton: Institute of Development Studies.

Humphrey, J. & Schmitz, H. (2001). Governance in global value chains. *IDS Bulletin*, Vol. 32 (3), pp.19-29.

Humphrey, J. & Schmitz, H. (2002a). How does insertion in global value chains affect upgrading in industrial clusters? *Regional Studies*, Vol. 36 (9), pp. 1017-1027.

Humphrey, J. & Schmitz, H. (2002b). *Developing country firms in the world economy: Governance and upgrading in global value chains*. Duisburg: INEF.

Humphrey, J (2004). *Upgrading in global value chains*. Working Paper: 28. Policy Integration Department, World Commission on the Social Dimension of Globalization, International Labour Office. Available at: <http://www.bdsknowledge.org/dyn/bds/docs/620/ILO%20IDS%20Upgrading%20in%20Global%20VCs%202004.pdf> [Accessed 15 July 2017]

Nathan, D., Tewari, M. & Sarkar, S. (2019). *Development with global value chains: Upgrading and innovation in Asia*. Cambridge: Cambridge University Press. [Chapter 5, 9, 11 and 13].

Neilson, J., Pritchard, B. and Wai-Chung, H.Y. (2017). *Global value chains and global production networks: Changes in the international political economy*. London and New York: Routledge. [Chapter 1 and 5]

Additional Readings:

Adewole, A. & Struthers, J.J. (eds). (2018). *Logistics and global value chains in Africa: The impact on trade and development*. Cham, Switzerland: Springer.

African Economic Outlook. (2014). *Global value chains and Africa's industrialisation*. Available from: [file:///C:/Users/s1500142/Downloads/Edition_Thematique_EN_web%20\(2\).pdf](file:///C:/Users/s1500142/Downloads/Edition_Thematique_EN_web%20(2).pdf) [Accessed 18 November 2017]. [Chapters 6, 7 and 8].

Ahmad, N. & Primi, A. (2017). From domestic to regional to global: Factory Africa and Factory Latin America? In: World Bank's *Global Value Chain development report 2017: measuring and analyzing the impact of GVCs on economic development*, pp. 69-89. Washington DC: World Bank.

Altenburg, T. (2006). Governance patterns in value chains and their development impact. *The European Journal of Development Research*, Vol. 18 (4), pp. 498–521.

Bamber, P., Guinn, A. & Gereffi, G. (2014). *Burundi in the coffee global value chain*. Center on Globalization, Governance and Competitiveness, Duke University.

Bazan, L. & Navas-Alemán, L. (2003). Upgrading in global and national value chains: Recent challenges and opportunities for the Sinos Valley footwear cluster, Brazil. *Paper presented at the EADI's Workshop "Clusters and global value chains in the North and the Third World*. Novara. 30 - 31 October 2003.

Gereffi, G. (2015). *Global value chains, development and emerging economies*. Working Paper: 18. Center on Globalization Governance & Competitiveness, Duke University. Available at: <https://www.unido.org/api/opentext/documents/download/9924327/unido-file-9924327>. [Accessed 13 September 2017]

Pietrobelli, C. & Rabellotti, R. (2006). *Upgrading to compete: Global value chains, clusters, and SMEs in Latin America*. Washington, DC: Inter-American Development Bank. [Chapters 1, 2, 3, 4, 8, 9].

Trienekens, J. & Van Dijk, M.P. (2012). *Global Value Chains - Linking Local Producers from Developing Countries to International Markets*. Amsterdam: Amsterdam University Press. [Chapters 1, 2, 3 & 10].

WEEK FOUR: SOCIAL UPGRADING IN GLOBAL VALUE CHAINS

This section of the course interrogates the mainstream global value chain argument that the economic upgrading of supplier/producer firms in developing countries, as a result of

integrating into GVCs, will automatically lead to the social upgrading of workers at the bottom of the GVCs. Over the last two decades the global commodity chain, global value chain and global production network (GCC/GVC/GPN) frameworks have provided valuable research into contemporary global capitalism. However, much of this research has paid insufficient attention to workers' lived experiences at the bottom of the GVCs. Mainstream global value chain literature perceives workers as passive entities who are subject to the manoeuvres of global capital, and hence the assumption that economic upgrading automatically leads to social upgrading of workers. This perspective fails to explain the continued social downgrading of workers who are working in GVCs. This section of the course seeks to analyse and interrogate the argument proposed in mainstream GVC literature, so as to understand the real dynamics that induce social downgrading in GVCs.

Question:

Why is it problematic to assume that hybrid models of governance in GVCs (alone) are enough to ensure social upgrading for workers at the bottom of GVCs?

Key Readings:

Bair, J. (2017). Contextualising compliance: hybrid governance in global value chains. *New Political Economy*, Vol. 22 (2), pp.169-185.

Gereffi, G. & Lee, J. (2016). Economic and social upgrading in global value chains and industrial clusters: Why governance matters. *Journal of Business Ethics*, Vol. 133 (1), pp. 25-38.

Gereffi, G. (2019). *Global value chains and development: Redefining the contours of 21st century capitalism*. Cambridge: Cambridge University Press. [Chapter 8 and 10].

Milberg, W. & Winkler, D. (2011). Economic and social upgrading in global production networks: Problems of theory and measurement. *International Labour Review*, Vol. 150 (3-4), pp. 341-365.

Nathan, D., Tewari, N. & Sarkar, S. (2016). *Labour in Global Value Chains in Asia*. Cambridge: Cambridge University Press.

Rossi, A. (2013). Does economic upgrading lead to social upgrading in global production networks? Evidence from Morocco. *World Development*, Vol. 46, pp. 223-233.

Selwyn, B. (2013). Social upgrading and labour in global production networks: A critique and an alternative conception. *Competition and Change*, Vol. 17 (1), pp. 75-90.

Selwyn, B. (2016). *Global value chains or global poverty chains? A new research agenda*. Working Paper 10. Centre for Global Political Economy (CGPE), University of Sussex. June 2016. Available at: <https://www.sussex.ac.uk/webteam/gateway/file.php?name=selwyn-global-chains-2016-w-imprint.pdf&site=359> [Accessed 15 July 2018]

Selwyn, B. (2019). Poverty chains and global capitalism. *Competition and Change*, Vol. 23 (1). pp. 71-97.

Smith, J. (2016). *Imperialism in the twenty-first century: Globalization, super-exploitation, and capitalism's final crisis*. New York: Monthly Review Press. [Chapter 7].

Suwandi, I. (2019). *Value Chains: Then new economic imperialism*. New York: Monthly Review Press.

Additional Readings:

Alford, M. (2016). Trans-scalar embeddedness and governance deficits in global production networks: Crisis in South African fruit. *Geoforum*, Vol. 75 (1), pp. 52-63.

Barrientos, S. (2008). Contract labour: The 'Achilles heel' of corporate codes in commercial value chains. *Development and Change*, Vol. 39 (6), pp. 977-990.

Barrientos, S., Gereffi, G. & Rossi, A. (2011). Economic and social upgrading in global production networks: A new paradigm for a changing world. *International Labour Review*, Vol. 150 (3-4), pp. 319-340.

Clelland, D.A. (2014). The core of the apple: Degrees of monopoly and dark value in global commodity chains. *Journal of World-Systems Research*, Vol. 20 (1), pp. 82-111.

Das, K. (2012). *Situating labour in the global production network debate: As if the south mattered*. Working Paper: 212. Gujarat Institute of Development Research, Ahmedabad. Available at: <http://gidr.ac.in/pdf/WP%20212.pdf>. [Accessed 10 October 2018].

Davis, D., Kaplinsky, R. & Morris, M. (2018). Rents, power and governance in global value chains. *Journal of World-Systems Research*, Vol. 24 (1), pp. 43-71

Foster, J.B., McChesney, R.W. and Jonna, R.J. (2011). The global reserve army of labour and the new imperialism. *Monthly Review*, Vol. 63 (6), pp. 1-32.

International Labour Office. (2016a). Decent work in global supply chains. Paper presented at the *International Labour Conference 105th Session*. Geneva, International Labour Office. [Chapters 3, 4].

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Knorringa, P. & Pegler, L. (2006). 'Globalisation, firm upgrading and impacts on labour'. *Tijdschrift voor Economische en Sociale Geografie*, Vol. 97 (5), pp. 470-479.

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WEEK FIVE: WORKER AGENCY IN GLOBAL VALUE CHAINS

This section of the course analyses the concept of worker agency in global value chains. It is no secret that workers (who are significant value creators in global chains) have been side-lined in mainstream global chain literature, especially in the earlier GCC and GVC variants. The latest variant of global chain analysis, which is the GPN theory, has made several attempts to include the role of non-firm actors (such as the state, trade unions, multilateral institutions, civil society etc.), in global chains. Yet despite these efforts, workers are still portrayed as passive and voiceless subjects (of global capital) in mainstream global chain literature. The reality on the ground, however, is that workers are far from passive; instead, they are continually applying innovative methods of resistance to combat (with some success) exploitation in global value chains. Nevertheless, there is still much more to be done, as studies show a growing impoverishment of workers at the bottom end of global value chains. Evidently, there are

enduring structures within global value chains that continue to induce this state of affairs. Nonetheless, this section of the course will introduce students to the notion of ‘worker agency’ in global chains.

Question:

Provide a theoretical and practical discussion on the notion of ‘worker agency’ in global value chains. In your discussion, highlight the following: (1) the factors that determine the various methods of resistance adopted by workers, (2) the challenges that workers encounter in their quest for decent work, and (3) also explain whether you think that worker agency alone can ensure sustainable social upgrading for all workers in global chains.

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WEEK SIX: SOUTH AFRICAN WINE VALUE CHAIN

Since the dawn of democracy, the South African wine industry has gone from strength to strength, with exports having more than doubled between 2005 and 2015. Currently, more than 3,232 farmers cultivate some 98,597 hectares of land under vines. This sector makes a considerable contribution to the country's Gross Domestic Product (GDP) and is a significant source of employment for the rural population. Research also indicates that South Africa now ranks eighth among the biggest wine-producing countries in the world. In light of the economic upgrading opportunities that the sector has experienced over the years, it is only fair to analyse whether this growth has translated into tangible benefits (social upgrading) for the workers in this industry. This section provides a value chain analysis of the South African wine industry.

Question:

Using the core concepts covered in the course, explain how the evolution of South Africa's agricultural policy framework (during and after apartheid) together with shifts in the global political economy have affected key stakeholders, such as producers and farm workers, in the wine value chain of South Africa.

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