

INDUSTRIAL AND ECONOMIC SOCIOLOGY HONOURS

2025: Term 4

GLOBAL VALUE CHAINS AND DEVELOPMENT



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INTRODUCTION

Globalisation refers to the increasing integration of economies worldwide, mainly through the movement of goods, services, and capital across borders. One important way that national economies are integrating is via global chains (GCs), which are structures that facilitate the flow of commodities from production to consumption. This module interrogates two contrasting perspectives on whether GCs are vehicles of inclusive development in the global South. On the one side, there are neoliberal-inspired GC scholars and multilateral organisations such as the World Bank (2020: 31) who believe that deregulated trade allows multinational companies or ‘superstar firms’ to trade with firms from developing countries to bring about inclusive economic and social upgrading.

Economic upgrading can briefly be described as the diverse improvements of a business and its position in the GC in which it operates. Social upgrading stems from the International Labour Organisation’s (ILO) decent work agenda that focuses on improving the conditions of workers employed by supplier firms in GCs. The above-mentioned GC scholars contend that economic upgrading (*product, process, functional and inter-sectoral*) is inevitable and determined by the type of GC coordination or governance. The same group of scholars attribute social upgrading (*employment creation, rights at work, social dialogue and social security*) to the type of strategies adopted by supplier firms to meet the demands of lead firms. By contrast, some GC scholars question the inclusivity of GCs, as multinational companies enjoy unbridled hegemonic power that reproduces uneven development in GCs.

These scholars are concerned about how GCs (which promise inclusive development) produce and reproduce extreme wealth and poverty concurrently. These scholars argue that GCs cater to ‘big business’ (whether in developing or developed nations) and semi-skilled and skilled (permanently employed) workers, to the exclusion of smaller businesses and low-skilled, casually employed workers. GC discourse has developed from global commodity chain (GCC) to global value chain (GVC) and global production network (GPN) theoretical frameworks, and covers issues of *governance, economic and social upgrading*. This module applies the core themes and literary debates (noted above) on South African value chains to examine whether integrating into GCs leads to inclusive upgrading prospects or segmented outcomes for participants in the global South.

MODULE OBJECTIVES

By the end of this module, students should have learnt the following:

- The Intersection between Neoliberalism and Neo-Colonialism in Development Discourse.
- The progress of the GCC, the GVC and the GPN theoretical frameworks.
- The notion of governance, economic upgrading and social upgrading in GCs.
- The contested debates on the impact of Global Chains on developing nations.
- The outcomes for South African wine farmers and workers in the global wine value chain.

MODULE STRUCTURE

This module will run from 25 August – 10 October 2025. The module consists of two weekly seminars (on Mondays and Thursdays), which will take place in Eden Grove Seminar Room 2. The seminar times for this module are as follows: Mondays (09:00 to 11:00) and Thursdays (11:00 to 13:00). Monday seminars are dedicated to unpacking the week's theme, and Thursday seminars are devoted to student presentations on the theme covered in that specific week. Attendance at seminars is compulsory, and completing a Leave of Absence (LoA) form before the seminar is required from students who cannot attend a seminar.

For this module, literature and seminar slides will be uploaded on RUconnected. As a department, we are committed to reflecting on our teaching practices and module content to strengthen our courses. Towards the end of the term, you will be asked to participate in a module evaluation process. Please take this seriously and evaluate the module honestly and comprehensively. Your input will be highly appreciated and will make a real contribution to enhancing teaching and learning in the department.

ASSESSMENT

The assessment in this module will be as follows:

Presentations

Every week, students will be given theme-related topics after the Monday seminars, allowing them to prepare for presentation at the Thursday seminars. The idea behind these presentations is to help students engage more deeply with the theme and literature discussed in a particular week. These presentations are relatively informal, so there is no need for slide presentations. The presentations should be about fifteen minutes, followed by a short ‘question and answer’ session. These presentations are an integral component of the student’s class mark. These weekly group presentations count for 5% of the class mark.

Weekly Assignments

Students are required to hand in one (1,500-word) assignment per week. These assignments must be typed and properly referenced. Students with a valid LoA are still expected to submit their weekly assignments (in arrangement with the lecturer). Students should read the *Sociology Handbook* for guidelines on essay writing, referencing and the penalties for late submission of assignments. The weekly assignments count for 15% 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 the title page and references. Exceeding the word limits for the essays and the assignments will result in the deduction of marks. Note that a logical and critical argument is expected for post-graduate work. The term essay accounts for 30% of the class mark and must be submitted via Turnitin by 17h00 on 10 October 2025. 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. Critically discuss how changing global geo-political factors have trisected Global Chains Studies into three distinct theoretical frameworks.
2. Using two case studies from the prescribed module literature, critically discuss the relationship between governance and economic upgrading in Global Chains.
3. Explain how the ‘race to the bottom’ in Global Chains impedes the realisation of the ILO's Decent Work Agenda and social upgrading.

4. Explain how the evolution of the governance structure in the wine value chain of South Africa pre- and post-1994 has impacted the outcomes for producers and farm workers in this sector.

Please consult the *Sociology Handbook* 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 the Handbook.

November Examination

The November examination will consist of five questions, and students will be expected to answer three. The examination will count 50% of the module mark.

WEEK ONE

THEORIES OF DEVELOPMENT AND NEO-COLONIALISM

The first week of this module introduces students to the theories of development and the relationship between neo-liberalism and neo-colonialism. Colonialism can broadly be described as the political and economic subjugation, oppression and exploitation of one country by another, usually achieved through violent means. Research indicates that one of the most documented forms of colonialism was that of European imperialism, which spanned the world over through brute force and duplicitous means. Colonialism was collectively met with great resistance, thus spawning a series of liberation movements worldwide. Post-independence, former colonised nations were faced with the mammoth task of addressing the development backlogs. Several development theories arose and were applied to newly independent nations during this period. The main theories that dominated the post-colonial development landscape included modernisation, dependency and world systems theories.

Key themes: Development theories; neo-liberalism vs neo-colonialism

Question: *Critically discuss the theories of development in light of the broader debate between neoliberalism and neo-colonialism.*

Key Readings:

Boahen, A.A. (1985). *Africa under colonial domination 1880-1935* (Vol. 7). Paris: United Nations Educational, Scientific and Cultural Organization (UNESCO). [Chapters 2, 14]

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

Langan, M. (2017). *Neo-colonialism and the poverty of development in Africa*. Newcastle: Palgrave Macmillan. Chapters [1, 2, 4]

Peet, R. (2009). *Unholy trinity: the IMF, World Bank and WTO*. London and New York: Zed Books. [Chapters 1, 2 and 5]

Selwyn, B. (2017). *The struggle for development*. Cambridge: Polity Press. [Chapter 1]

Wengraf, L. (2018). *Extracting profit: Imperialism, neoliberalism and the new scramble for Africa*. Chicago: Haymarket Books. [Chapter 3]

WEEK TWO

INTRODUCTION TO GLOBAL 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 (GPN). Each of these chain constructs is unique in its own right in that it possesses its unique history, disciplinary affinities, empirical concerns and, arguably, political valences. Nevertheless, these frameworks collectively describe the sequence of processes by which goods and services are conceived, produced, and brought to market. The evolutionary trajectory of the global chain discourse was driven by the ‘ever-changing’ global political economy. This section will introduce students to the field of global chain research and explore its development trajectory.

Key themes: world systems theory, GCC, neo-liberalism, the East Asian miracle, mainstream GCCs, GVCs and GPNs.

Question: *Outline the intellectual trajectory of global chain discourse from its inception in the 1970s to the present.*

Key Readings:

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

Coe, N.M. (2021). *Advanced introduction to global production networks*. Northampton: Edward Elgar Publishing. [Chapters 1, 2, 3]

Coe, N.M. & Yeung, H.W.C. (2015). *Global production networks: Theorising economic development in an interconnected world*. Oxford: Oxford University Press.

Gereffi, G. (2018). *Global value chains and development: Redefining the contours of 21st century capitalism*. New York: Cambridge University Press. [Chapter 1]

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.

Hopkins, T.K. & Wallerstein, I. (1986). Commodity chains in the world-economy prior to 1800. *Review (Fernand Braudel Center)*, Vol. 10 (1), pp. 157-170.

Sturgeon, T.J. (2009). From commodity chains to value chains: Interdisciplinary theory building in an age of globalisation. In: J. Bair (ed.) *Frontiers of commodity chain research*, pp. 110-135. Palo Alto, California: Stanford University Press.

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

WEEK THREE

GLOBAL CHAINS AND ECONOMIC DEVELOPMENT

Mainstream development scholars contend that developing countries stand a lot to gain 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 hypothesis that leads firms to facilitate supplier/producer firms' economic upgrading prospects in the global South. However, whilst lead firm governance or coordination (network, quasi-hierarchy or hierarchy and market relations) has facilitated the economic upgrading prospects of some suppliers in the global South, they have also inhibited the growth prospects of some supplier firms. As such, the notions of 'power and class' are crucial when analysing the economic upgrading outcomes of (global chain) participants from the global South.

Key themes: Governance, economic upgrading, class analysis, imperialism

Question: *Discuss why economic upgrading is reserved for certain firms, whilst other firms remain marginalised in GCs.*

Key Readings:

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.

Dindial, M., Clegg, J. & Voss, H. (2020). Between a rock and a hard place: A critique of economic upgrading in global value chains. *Global Strategy Journal*, Vol. 10 (3), pp. 473-495.

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.

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

Oritsejafor, E.O. & Cooper, A.D. (2021). *Africa and the Global System of Capital Accumulation*. New York: Routledge. [Chapter 2]

Selwyn, B. & Leyden, D. (2022). Oligopoly-driven development: The World Bank's Trading for Development in the age of global value chains in perspective. *Competition & Change*, Vol. 1 (1) pp. 1-23.

Suwandi, I. (2019). *Value chains: The new economic imperialism*. New York: Monthly Review Press. [Chapters 1, 2]

Teipen, C., Dünhaupt, P., Herr, H. & Mehl, F. (2022). *Economic and social upgrading in global value chains*. London: Palgrave MacMillan. [Chapter 1]

World Trade Organisation. (2021). *Global Value Chain Development Report 2021: Beyond production*. Geneva: World Trade Organisation. [Chapter 3]

WEEK FOUR

SOCIAL UPGRADING AND WORKER AGENCY IN GLOBAL CHAINS

This section of the module interrogates the outcomes for workers employed by supplier firms in GCs. Since the establishment of the contemporary GCC framework, neoliberal-inspired GC scholars and multilateral institutions (such as the World Bank) stubbornly believed that decent work and social upgrading were an inevitable consequence of participating in GCs. Recently,

several GC scholars have contended that social upgrading is determined by the strategy adopted by the supplier firms in trying to meet the demands of lead firms.

These strategies include the high road approach (economic upgrading and social upgrading), low road approach (economic upgrading and social downgrading) and mixed bag approach (economic upgrading, social upgrading and social downgrading). Not all scholars are calling for the scrutiny of the unbridled power of lead firms to unleash predatory purchasing practices on supplier firms in developing countries. This is why an increasing number of studies show that the low road and the mix bag approach are becoming more popular in GCs, especially social downgrading, which is on the rise as many lead firms and suppliers experience growth from labour efforts.

Key Themes: ILO's Decent Work Agenda, hybrid governance, segmented labour outcomes, worker resistance, structural barriers to worker resistance.

Question: *Critically discuss why the labour outcomes in the production segment of global chains increasingly contradict the ILO's decent work agenda despite the labour standards instituted in global chains due to multi-stakeholder (social, public, private) initiatives.*

Key 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.

Anner, M. (2015). Worker resistance in global supply chains: Wildcat strikes, international accords and transnational campaigns. *International Journal of Labour Research*, Vol. 7 (1-2), pp. 17-34.

Anner, M. (2021). Three labour governance mechanisms for addressing decent work deficits in global value chains. *International Labour Review*, Vol. 160 (4), pp. 611-629.

Barrientos, S., Gereffi, G. & Rossi, A. (2010). Economic and social upgrading in global production networks: Developing a framework for analysis. *International Labour Review*, Vol. 150 (3-4), pp. 319-340.

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.

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*, 9(3), pp.436-464.

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 20 April 2018]

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

Teipen, C., Dünhaupt, P., Herr, H. & Mehl, F. (2022). *Economic and social upgrading in global value chains*. London: Palgrave MacMillan.

Willoughby, R. & Gore, T. (2018). *Ripe for change: Ending human suffering in supermarket supply chains*. Oxford, UK: Oxfam. Available at: https://d1tn3vj7xz9fdh.cloudfront.net/s3fs-public/file_attachments/cr-ripe-for-changesupermarket-supply-chains-210618-en.pdf. [Accessed 15 July 2020]

WEEK FIVE THE SOUTH AFRICAN WINE VALUE CHAIN

This section provides a systematic analysis of the South African wine value chain. More specifically, it examines the following four areas: the history of the South African wine industry, the governance of the South African wine value chain, and the economic upgrading trajectories experienced by participants in this value chain. This analysis is necessary as the South African wine industry is export-driven and is part of the global wine value chain. South Africa exported \$716M in Wine in 2022. The main destinations of South African exports of wine were the United Kingdom (\$150M), Germany (\$60.6M), the United States (\$58.6M), the Netherlands (\$47.2M), and Canada (\$38M). Being part of a global chain makes the wine industry of South Africa an ideal case study to apply some of the core concepts covered in the course, especially governance and economic upgrading.

Question: Briefly unpack the South African wine value chain, focusing on its governance structure/s and influence on the economic upgrading trajectories.

Key Readings:

Department of Agriculture, Forestry and Fisheries. (2017). A profile of the South African wine market value chain. Available at:

<http://webapps.daff.gov.za/AmisAdmin/upload/Wine%20Market%20Value%20Chain%20Profile%202017.pdf> [Accessed 15 November 2023]

Estreicher, S.K., 2014. A brief history of wine in South Africa. *European Review*, Vol. 22 (3), pp. 504-537.

Ewert, J., Hanf, J.H. & Schweickert, E. (2015). Strategic challenges facing South African wine co-operatives: upgrading or bulk production? *Journal of Wine Research*, Vol. 26 (4), pp. 287-303.

Greenberg, S. (2013). *The disjuncture of land and agricultural reform in South Africa: Implications for the agri-food system*. Working Paper: 26. PLAAS, UWC: Bellville. Available at: https://media.africaportal.org/documents/WP26Greenberg_1.pdf [Accessed 20 June 2021]

Greenberg, S. (2016). *Corporate power in the agro-food system and South Africa's consumer food environment*. Working Paper: 32. Cape Town: PLAAS, UWC: Bellville. Available at: <https://media.africaportal.org/documents/WP32GreenbergFINAL.pdf> [Accessed 20 June 2021]

Ponte, S. (2007). *Governance in the Value Chain for South African Wine*. Working Paper: 9. Danish Institute for International Studies.

Ponte, S. & Ewert, J. (2007). *South African Wine: An Industry in Ferment*. Working Paper: 8. Department of Sociology and Social Anthropology, University of Stellenbosch.

Ponte, S. & Ewert, J. (2009). 'Which way is up in upgrading? Trajectories of change in the value chain for South African wine'. *World Development*, Vol. 37 (10), pp. 1637-1650.

WEEK SIX

EMPLOYMENT OUTCOMES IN THE SOUTH AFRICAN WINE VALUE CHAIN

This section of the module evaluates the conditions of farm labour in South Africa's wine industry. In light of the economic upgrading opportunities that the sector has experienced, it is only fair to analyse whether this growth has translated into tangible benefits (social upgrading) for the workers in this industry. This section will educate students about the working and living conditions of farm workers in the wine value chain of South Africa. It also examines the responses of farm workers to their precarious working conditions in the wine industry of South Africa. In doing this, this section shows the agency displayed by workers employed in a global chain, denouncing the notion that workers are passive victims.

Question: *Critically discuss the structural factors that have contributed to the precarious state of farm workers in the wine value chain of South Africa. In your discussion, also highlight the responses of farm workers to their precarious working conditions in the industry.*

Readings:

- Atkinson, D. (2007). *Going for broke: The fate of farm workers in arid South Africa*. Cape Town. HSRC Press. [Chapters 2 and 3]
- Davies, W. (1990). *We cry for our land: Farm workers in South Africa*. Oxford: Oxfam GB. [Chapter 1, 2 and 3]
- Barrientos, S.W. (2013). Labour chains: analysing the role of labour contractors in global production networks. *The Journal of Development Studies*, Vol. 49 (8), pp.1058-1071.
- Devereux, S., Levendal, G. & Yde, E. (2017). *The farmer doesn't recognise who makes him rich: Understanding the labour conditions of women farm workers in the Western Cape and the Northern Cape, South Africa*. Sydney: Oxfam.
- Ewert, J. & Hamman, J. (1999). Why paternalism survives: Globalisation, democratisation and labour on South African wine farms. *Sociologia Ruralis*, Vol 39 (2), pp.202-221.
- Ewert, J. & Du Toit, A. (2005). A deepening divide in the countryside: Restructuring and rural livelihoods in the South African wine industry. *Journal of Southern African Studies*, Vol. 31 (2), pp. 315-332.
- Greenberg, S. (2013). A gendered analysis of wine export value chains from South Africa to Sweden. *Agrekon*, Vol. 52 (3), pp. 34-62.
- Hastings, T. (2019). Leveraging Nordic links: South African labour's role in regulating labour standards in wine global production networks. *Journal of Economic Geography*, Vol. 19 (4), pp. 921-942.
- The International Labour Research and Information Group (ILRIG). (2021). *The grapes of wrath: A history of farm worker struggles in the wine sector*. Available at: https://www.ilrigsa.org.za/wp-content/uploads/2021/02/ILRIG_Farmworkers_For-Web.pdf [Accessed 10 January 2022]
- Visser, M. (2016). *Going nowhere fast? Changed working conditions on Western Cape fruit and wine farms*. Working Paper: 41. Poverty, Land and Agrarian Studies (PLAAS), University of the Western Cape.
- Visser, M. & Godfrey, S. (2017). *Are trade unions and NGOs leveraging social codes to improve working conditions? A study of two locally developed codes in the South African fruit and wine farming sectors*. Working Paper: 49. Institute for Poverty, Land and Agrarian Studies (PLAAS). University of the Western Cape.
- Wilderman, J. (2015). *From flexible work to mass uprising: The Western Cape farm workers' struggle*. Working Paper: 4. Johannesburg: Society, Work and Development Institute, University of the Witwatersrand.