

Governing Global Value Chains An Introduction

Gibbon, Peter; Bair, Jennifer; Ponte, Stefano

Document Version
Accepted author manuscript

Published in:
Economy and Society

DOI:
[10.1080/03085140802172656](https://doi.org/10.1080/03085140802172656)

Publication date:
2008

License
Unspecified

Citation for published version (APA):
Gibbon, P., Bair, J., & Ponte, S. (2008). Governing Global Value Chains: An Introduction. *Economy and Society*, 37(3), 315-338. <https://doi.org/10.1080/03085140802172656>

[Link to publication in CBS Research Portal](#)

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please contact us (research.lib@cbs.dk) providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 25. Aug. 2022



Post-print of Gibbon, P., Bair, J. and Ponte, S. (2008) "Governing Global Value Chains: An Introduction," **Economy and Society**, Vol. 37, No. 3, pp. 315-338.
DOI: 10.1080/03085140802172656
Stable URL to publisher:
http://www.tandfonline.com/doi/abs/10.1080/03085140802172656#.VCp0hC5_sgE

Governing Global Value Chains: An Introduction

Peter Gibbon, Jennifer Bair and Stefano Ponte

Abstract

This introductory paper to a special issue on global value chains (GVC) focuses on the concept of governance as the dimension of GVCs that has received the most theoretical and empirical attention to date. After a brief introduction of the GVC concept in relation to the literature on economic globalization, we review three different interpretations of GVC governance that have been advanced: governance as driving, governance as coordination, and governance as normalization. After summaries of the four papers (by Bair, Gibbon and Ponte, Milberg, and Palpacuer) comprising this special section of *Economy and Society*, the authors offer reflections on the current state of the literature on governance, as well as thoughts regarding further development of the concept. The authors emphasize the theoretical eclecticism of the GVC literature to date, particularly with regard to the understanding of governance, posing the question if it is possible to unify these approaches within a unified paradigm that attempts to explain economic globalization or if GVC analysis is better understood as a methodological approach that can accommodate various theoretical perspectives.

Introduction: GVC governance and global economic governance

The last decade has seen a growing interest in one or another variant of Global Value Chain (GVC) analysis¹ as a methodology for studying global economic governance. Widely adopted by sociologists and geographers analyzing the international organization of industries as diverse as clothing, electronics, and tropical commodities, the GVC approach has also attracted growing interest from economists, anthropologists and historians. On the policy front, a number of international agencies and organizations interested in firm-level competitiveness, industrial upgrading and poverty alleviation, particularly in developing countries, have embraced GVC analysis. Finally, the influence of GVC analysis is reflected in the appearance of related theoretical frameworks such as the Global Production Network (GPN) approach (Coe et al. 2004; Henderson et al. 2002), which explicitly locate themselves vis-à-vis the GVC literature and claim either to solve problems that it has left unattended or correct biases implicit in it.

To understand why GVC analysis has proven so alluring to scholars of globalization, it is instructive to contrast this approach with two other, broader literatures addressed to the question of how the global

¹ The term 'global value chain analysis' is used throughout this article in a generic way to subsume global commodity chain analysis, which was the term commonly used to describe the same framework until around 2001-02. See Bair 2005 for a discussion of the similarities and differences between the world-systems approach to commodity chain analysis, the global commodity chain framework (GCC), and global value chain (GVC) analysis.

economy is governed. The first perspective, mainstream international political economy, posits the problem of global economic governance in terms of institutions (WTO, IFIs, G-8) and is chiefly concerned with how effective they are vis à vis regional and national governance systems. The second perspective, radical political economy, looks at the relation between global capital (specifically, transnational corporations) and these same institutions, as well as actors such as the World Economic Forum, which are understood to represent the interests of corporations as well as of some governments. Both perspectives are internally divided on how effective global economic governance is, in whose interest and by what means governance is exercised, and with what implications for whom.

GVC analysis comes to this discussion from a different angle, one originally related to world-systems theory and its view of the commodity chain as a ‘network of labor and production processes whose end result is a finished commodity’ (Hopkins and Wallerstein 1986). As it developed over the course of the last decade, however, GVC analysis has moved away from its world-systems origins, focusing on the elaboration of a firm-centered conceptualization of governance instead of delineating a general capitalist or systemic logic driving commodity chains. GVC analysis has also underscored the role played by particularly powerful companies—so-called lead firms—in global economic governance in a completely new way. Instead of looking at how these firms influence international organizations in order to obtain rules as favorable as possible to enable capital accumulation, it conceives lead firms as the core actors in a segmented system of global economic governance. While recognizing that international organizations do indeed influence economic outcomes, this is not as a result of pressure by lead firms but rather through the impact of regulation on the way that lead firms organize international production networks.

In this special section, we highlight the tensions that exist within the global chains literature, as both proponents and critics of the GVC approach debate how best to conceptualize and measure governance. In addition to profiling some of the major theoretical and methodological debates within GVC analysis broadly conceived, we also ask to what extent these disputes can be resolved within its framework. In order to do so, the four papers following this introduction examine some encounters between GVCs and other relevant themes: network analysis (Bair), governmentality (Gibbon and Ponte), corporate governance (Palpacuer) and financialization (Milberg). An afterword, from a proponent of an alternative approach that shares affinities with GVC analysis—specifically, the Global Production Network perspective (Hess)—evaluates the extent to which this collection advances our understanding of governance.

The remainder of this article falls into four main sections. First, the concept of GVC governance is introduced, in relation to a brief account of how GVC analysis conceives economic globalization. Second, the development of the governance concept in the GVC literature is sketched in terms of three successive interpretations: ‘driving’, ‘coordination’ and ‘normalization’. Third, the articles that form this collection are summarized. The final section traces some directions for future work, underscoring the need for greater attention to the neglected issue of value creation and distribution and considering the potential of, and limits to, integrating the three current readings of GVC governance we outline below into a coherent theoretical framework.

The foundations of the concept of GVC governance

The GVC perspective is primarily distinguished by its approach to economic globalization, or more precisely the globalization of production.² Different contributions to the GVC literature emphasize four aspects of this process, which many contributors to this literature consider intrinsically linked. Firstly, the GVC perspective views economic globalization in a broader *historical context*. Rather than representing a phenomenon of the period since 1980, waves of globalization date back to the early modern period. Periods of globalization of production originate in economic recessions and end in economic recessions (Hopkins and Wallerstein 1994). The current wave of globalization originates in the slow down of demand in developed countries noted by Maddison (2001), from its 1960s level of 5.4 per cent per annum to 2-3 per cent in the 1980s and 1990s. The main peculiarity of the present phase of globalization is that it coincides with generally falling regulatory barriers to international trade, significant advances in communication technologies, and declining transportation costs, which facilitate the dispersion of production activities across space.

Secondly, economic globalization is understood to be highly uneven, geographically and sectorally. The global division of labor changed dramatically during the second half of the twentieth century, as many developing countries became important sites for basic manufacturing. The most geographically extensive GVCs are found in industries where entry barriers to basic production are quite low, and where capital is therefore relatively mobile. Over the past quarter century at least, the internationalization of production has advanced most rapidly in labor-intensive sectors and has had a profound impact on the labor-rich countries that are being incorporated into GVCs. Other, more capital-intensive sectors remain largely concentrated in developed (and emerging) economies. Mapping the changing geography of these activities across different countries has been a central project of GVC analysis.

A third and related aspect is that the current globalization of industrial production is associated with increased levels of specialization and differentiation, both in developed and in developing countries. Economic activity in developed countries increasingly focuses upon product design and development, on financing of production and consumption, on marketing and retailing as well as on the provision of global communications. As noted above, some developing countries are increasingly devoted to manufacturing *per se*, and to the provision of some manufacturing-related services. At the same time, however, industrial production of even a basic variety has failed to take off in a large number of developing countries, which remain dominated by agricultural and resource extractive activities. Broadly parallel with this process is another, whereby certain classes of enterprises or even regions are systematically shaken out of the global economy, both in developed countries and developing ones. Not surprisingly, given the predominance of the trend toward specialization, differentiation revolves to a large extent around scale. The current period of economic globalization is one where developed country economies witness previously unheard of levels of concentration emerging in retail and finance, while developing countries witness a parallel, steady increase in scale-related entry barriers to participation in value chains for manufactures and agro-commodities.

² Although theoretically GVC analysis could be extended to other economic activities such as the service sector, to date most of this research has focused on either agricultural production or manufacturing. See Rabach and Kim 1994.

Finally, the current phase of economic globalization is associated not only with a disintegration of production, but also changing patterns of ownership. Economic globalization no longer consists primarily in developed country firms setting up branch plants in developing countries; in many countries of the global South, and especially in labor-intensive industries, industrial capacity is owned either by nationals of the producing country or by those of other developing countries. Externalization of risk thus accompanies outsourcing of production. As not only production but also services are spun off by enterprises interfacing with consumers, service providers also become legally distinct entities, even where they remain located in developed countries.

Global value chains refer to the set of intra-sectoral linkages between firms and other actors through which this geographical and organizational reconfiguration of global production is taking place. As a critical infrastructure of economic globalization, GVCs can be thought of as the integrative counterpart to the current processes of geographical dispersion, economic specialization and differentiation and risk externalization described above. The idea of *GVC governance* rests on the assumption that, while both disintegration of production and its re-integration through inter-firm trade have recognizable dynamics, they do not occur spontaneously, automatically, or even systematically. Instead, these processes are initiated and institutionalized in particular forms as a result of strategizing and decision-making by particular actors, usually large firms that manage access to final markets in developed-country (but also increasingly, emerging) markets.

In deciding how to manage trade and production networks in global industries, lead firms confront a number of choices. Firstly, whether to make components/procure supplies in-house, procure them on the market, or adopt hybrid solutions involving various kinds of longer-term relationships with suppliers. Secondly, when a decision to buy is made, there is a closely related set of decisions concerning the specific characteristics of the transaction: price, volume, number of suppliers, and qualifications or attributes that suppliers should possess on dimensions other than price. This further relates to decisions about what kind of production, quality, and possibly distribution, standards to insist upon—for example, to what specifications should goods be made, what technologies should be used to do so, what defect rate will be tolerated, how often and to where are the goods to be delivered, etc. GVC governance refers to the content and the management of these decisions across all suppliers and sub-suppliers, the strategies behind the decisions taken and management methods chosen to implement them, and the systems through which their outcomes are monitored and reacted on. The relevance of governance to GVC analysis is thus that it highlights the concrete practices and organizational forms through which a specific division of labor between lead firms and other economic agents involved in the conceptualization, production and distribution of goods in global industries is established and managed.

Three stages in the interpretation of GVC governance

Although the definition of GVC governance just elaborated provides the basis for most discussions of chain governance in the literature, there are important differences in the way governance has been understood and theorized across the different camps of GVC research ([Bair 2005](#)). Though we will not review the intellectual lineage and trajectory of these camps here, it is important to underscore several of the key variations on the governance theme that exist. Below we discuss the three main approaches

to governance that have emerged in this literature: governance as driving, governance as coordination and governance as normalization.

Governance as driving

In the original exposition of what Gereffi (1994) then called the global commodity chains (GCC) framework, the governance structure was one of several key dimensions along which all commodity chains could be analyzed.³ Defining governance as the ‘authority and power relationships that determine how financial, material, and human resources are allocated and flow within a chain’ (ibid: 97), Gereffi distinguished between two ideal-typical governance structures: *producer-driven* and *buyer-driven*. Producer-driven commodity chains were found in capital-intensive sectors in which high technological and capital requirements constituted the main entry barriers and reinforced the status of large manufacturers as lead firms. In these chains, producers tended to retain control of capital-intensive operations in-house, subcontracting out only more labor-intensive functions to suppliers that were hierarchically organized within vertical networks coordinated and managed by ‘lead firms’. Buyer-driven commodity chains were typical of more labor-intensive sectors, where market information, product design and marketing/advertising costs set the entry barriers for would-be lead firms. Vertical integration was much less common in buyer-driven chains, since independent contractors usually performed production functions here, while lead firms concentrated instead on product development, branding, design, and marketing rather than manufacturing.

A primary assumption of the producer-driven versus buyer-driven distinction was that governance was a function of lead firm type: producer-driven chains were driven by manufacturers (industrial capital), while buyer-driven chains were driven primarily by retailers and/or marketers (commercial capital). While the producer-driven chain corresponded to the Fordist model of vertically-integrated, mass production in industries such as motor vehicles, it was Gereffi’s buyer-driven commodity chain concept that sparked great interest when it was elaborated in an article on the relationship between overseas buyers and clothing manufacturers in Asia (1994). The buyer-driven construct resonated among those scholars trying to make sense of novel network forms associated with both the externalization and the internationalization of production in a range of light manufacturing industries. Lead firms in these industries had become more focused on the design, branding, and marketing aspects of their business, and during the previous quarter century, they had increasingly organized production through networks of independent suppliers and contractors who made the goods sold in their stores or under their labels. Although there was usually no equity relationship between the lead firm and its suppliers, what the buyer-driven construct sought to make explicit was that power could be embodied in inter-firm relationships even in the absence of formal hierarchy (Bair 2008). This theme of lead-firm driving in buyer-driven chains was developed in a number of empirical studies, which demonstrated the extent to which lead firms dictated conditions to their independent suppliers, and explored the implications of the role played by these global buyers in facilitating or suppressing particular outcomes for suppliers,

³ Gereffi (1994) first identified three such dimensions: (1) an input-output structure, which describes the process of transforming raw materials and other inputs into final products; (2) a territoriality, or geographical configuration; and (3) a governance structure. In a later contribution, Gereffi (1995) added a fourth dimension: the institutional framework, which describes the ‘rules of the game’ bearing on the organization and operation of chains.

such as firm-level upgrading, as well as the related dynamics of inclusion and exclusion more generally ([Dolan and Humphrey 2000](#); [Schmitz and Knorringa 2000](#)).

By the early 2000s, the burgeoning field of global commodity chain studies included numerous contributions either affirming or disputing the relevance and utility of the original producer-driven versus buyer-driven distinction. Some critics claimed that this typology was too narrow or excessively abstract ([Clancy 1998](#); [Henderson et al. 2002](#)). Observations that these two ideal types failed to capture the range of governance forms observed in actual chains led to a proliferation of variations on the original theme of driving. [Gibbon \(2001\)](#) proposed that international traders drive ‘true commodity’ chains—that is, those in which basic agricultural products such as cotton and grains are harvested, processed and marketed. Based on his study of the cocoa-chocolate chain, [Fold \(2002\)](#) proposed that a ‘bi-polar’ governance structure can emerge when different segments of the chain are controlled by distinct lead firms (cocoa trader/grinders and brand-name chocolate manufacturers). Research-intensive industries such as software were described as technology-driven chains ([O’Riain 2004](#)).

A second criticism that was raised around the same time was that a buyer-driven dynamic seemed to be emerging in almost all industries, rendering the distinction between the two types of driving redundant. In some (formerly) producer-driven chains such as automobiles, computers, and consumer electronics, producers were now out-sourcing not only the manufacture of components but also of sub-systems and even final assembly, while keeping control of marketing and (where relevant) consumer finance. On the other hand, it was observed that the category of buyer covered a variety of types of lead firms who may drive chains in different ways. Buyers included retailers, branded marketers, industrial processors and international traders. Levels of intensity of driving were said to be higher in chains led by retailers, branded marketers and industrial processors (e.g., clothing, footwear, fresh fruit and vegetables and coffee) than in those led by international traders (e.g., cotton, fish, cashew nuts) (see [Fold 2001](#); [Gibbon 2001](#); [Ponte 2002](#)). In part, it was this observed variation in different types of buyer-driven chains that inspired the effort, described below, to reconceptualize governance as coordination.

A third criticism that was made of the producer-driven/buyer-driven dichotomy was that, rather than comprising homogeneous entities, a single GVCs is in reality made up of several separate ‘strands.’ For example, the GVC for coffee is differentiated by product sub-type (e.g., instant versus ground and roasted), institutional configuration (e.g., the presence/absence of an auction system or the presence/absence of an international commodity agreement shaping relations between different actors in the chain), and/or end-market segment and destination (e.g. mass market versus specialty or ‘niche’ markets ([Ponte and Daviron 2007](#); [Talbot 2008](#))). Finally it was further pointed out that certain external actors (those not directly supplying a product or service) can have an important say in how a chain is governed. These actors include NGOs, experts, certification bodies, and/or providers of support services (see e.g., [Ponte 2008](#)). This observation serves as a point of departure for the efforts of [Gibbon](#), [Ponte](#) and others to elaborate the third understanding of GVC governance we describe below, governance as normalization.

Governance as coordination

Among the different challenges to the producer-driven versus buyer-driven framework that emerged, the work of [Sturgeon \(2001; 2002\)](#) on the electronics industry was of particular importance for understanding how the conceptualization of governance shifted from driving to coordination. As noted, in the initial Gereffi framework, outsourcing of manufacturing was viewed as a strategy by which lead firms in buyer-driven chains sought to off-load less profitable, non-core functions onto their suppliers. Sturgeon dissented from this interpretation. He argued that the functions that brand-name computer companies (e.g. Dell or Compaq) externalized to their global contract manufacturers (e.g. Solectron or Flextronics) were not necessarily low profit, and the manufacturers carrying out these functions should not be seen as driven in the same way that subcontractors making shoes or clothes to the specifications of brand-name buyers. Rather, such highly competent ‘turn-key’ suppliers provided their clients with ‘a full-range of services without a great deal of assistance from, or dependence on lead firms’ (Sturgeon 2002: 455). He went on to describe networks between lead firms and turn-key suppliers as ‘modular’. That is, both lead firms and sub-contractors could and did find new clients or suppliers on a regular basis, since common industry standards allowed the complex informational content of their transactions to be exchanged between pairs of supplier-buyer firms in relatively formalized and hands-off ways.

Inspired by Sturgeon’s concept of modular value chains, Gereffi, Humphrey and Sturgeon (2005) set out to elaborate a theory that would specify the determinants of a broad range of inter-firm governance types in global industries. The resulting theory sees governance forms varying systematically according to the values (either high or low) of three independent variables: (1) the complexity of the information and knowledge required to sustain a particular transaction; (2) the ease with which this information can be codified and efficiently transmitted between the parties; and (3) the existing capacities of potential supply bases in relation to the requirements of the transaction. The matrix resulting from this configuration of two possible values for three variables yields eight combinations, three of which are ruled out in practice as inherently improbable. This leaves five possible categories of governance: *Market* relations are dominant when transactions are easily codified, product specifications are simple and suppliers have the capability to produce without much input from buyers. *Modular* value chains arise when the ability to codify specifications extends to complex products and when suppliers have the capacity to use generic manufacturing competences to supply full packages and modules, lowering the need for buyers to closely monitor and control design and production processes. *Relational* value chains arise when product specifications cannot be easily codified, products are complex and supplier capabilities are high; this leads to frequent communication between buyers and suppliers within the framework of a certain degree of mutual dependence, which may be regulated through reputation, social ties and/or spatial proximity. *Captive* value chains arise when there is ability to codify complex product specifications, but the capability of suppliers is low; this leads to a higher degree of monitoring and intervention by the buyer and to a transactional dependence of the supplier on the buyer. Finally, *hierarchy* occurs when product specifications cannot be codified, products are complex and competent suppliers are not available; as a result, the buyer has to develop design and production skills in-house. In this framework, as value chains move from market to hierarchy, the level of explicit coordination increases and with it, the power asymmetry between actors.

As is clear even from this abbreviated discussion, governance in Gereffi et al.’s GVC theory no longer refers to strategies and actions by particular actors to drive a chain along its entire length. Rather, governance is identified with the form of coordination characterizing the inter-firm exchange at a

specific node in the chain—the lead firm and its first-tier supplier(s). Furthermore, the theory’s emphasis is firmly on the industry or process characteristics that shape this governance relation. In explaining the coordination of transactions between firms, GVC theory privileges these structural constraints rather than the intentional, strategic actions of firms. Thus, the shift from the buyer-driven versus producer-driven typology of the Global Commodity Chain (GCC) framework to the fivefold governance typology of the GVC theory implies two important and interrelated changes: first, the explanatory scope of the governance concept is narrowed from the length of the chain in the former to the inter-firm transaction at a specific node in the chain in the latter; second, the governance as coordination formulation reflects a key assumption of transaction cost economics, i.e., that the economy’s organizational forms emerge as efficient solutions to structural challenges of transacting, and particularly to problems associated with asset specificity. This marks a sharp break from the governance as driving formulation, and even more so from the early commodity chains research agenda of world-systems theory. In other words, while the producer-driven versus buyer-driven typology sought both to make explicit the power relations characterizing inter-firm networks and explain why they differ in capital- versus labor-intensive industries, the theory of GVC governance suggests that power is a contingent property of only certain types of inter-firm coordination.

Given its break with earlier versions of the framework, it is hardly surprising that the new GVC governance theory has provoked a wide-ranging debate amongst GCC and GVC analysts. The main thrust of this debate has been critical, especially of the perceived narrowing of the scope of the analysis undertaken in the name of achieving parsimony and greater analytical rigor. For example, Gibbon and Ponte (2005) have argued that conceptualizing governance strictly in terms of forms of coordination between lead firms and their immediate suppliers discards the main advantage of conceptualizing economic relations in terms of chains. Decisions or arrangements made at the particular interface that is the focus of GVC governance theory—that between the lead firm and the first-tier supplier—have ripple effects or broader framework implications for a wide range of agents upstream of immediate suppliers. This is because such decisions typically incorporate requirements defining the terms of participation for secondary or input suppliers. Secondly, these authors have questioned whether the constraints shaping coordination forms are indeed as structural as Gereffi, Humphrey and Sturgeon assume. Citing evidence from a comparison between EU-destined and US-destined strands of the apparel chain focusing on clothing exports from Mauritius, they have argued that apparently objective variables such as the complexity and codifiability of particular transactions, as well as the capacities of suppliers, have a strong element of social construction; the same is found by Ponte (2008) in his analysis of different quality strands in the global value chain for wine originating in South Africa. Thirdly, these authors and others (e.g., [Bair and Dussel Peters 2006](#)) question Gereffi, Humphrey and Sturgeon’s decision to exclude from their theory the influence on coordination of extra-transactional structural constraints such as those emanating from dominant regulatory systems or corporate strategy paradigms amongst lead firms.

Governance as ‘normalization’

Issues for the analysis of GVC governance of a somewhat different order are raised by other recent contributions to the literature, emerging in the context of some of the criticisms of the Gereffi, Humphrey and Sturgeon position just described. These criticisms underscored the discursive dimension of the framing of buyer-supplier relations, based on a constructivist approach to the knowledge content

of transactions and the capacities of suppliers, as noted above. In this variation of the GVC literature, governance is understood in terms of ‘normalization’. This term is used here not to mean ‘making things normal’ in the vernacular sense of unexceptional, but rather to a project of re-aligning a given practice so that it mirrors or materializes a standard or norm.

In previous work, Gibbon and Ponte ([Ponte 2002](#); [Daviron and Ponte 2005](#); [Ponte and Gibbon 2005](#)) borrowed from convention theory in situating and analyzing the dynamics of buyer-seller relations in wider normative contexts. The point of that work was to use convention theory to elaborate an account both of the immediate normative environment within which value chain actors operate (that is, in relation to their functional statuses as buyers or suppliers) *and* the broader normative frameworks influencing the designations attached to the products and services they exchange within GVCs. Such contexts provide vocabularies for describing, and prescriptions concerning, on the one hand, what actions buyers should take when governing a value chain and, on the other, what specific qualities suppliers should aim for and how they should secure them.

Convention theory postulates that economic action is always framed by systems of justification ([Boltanski and Thévenot 1991](#)). These provide systematic languages for identifying the objects of economic action and the criteria for attributing functions and values to them. Conventions are generally defined as sets of mutual expectations that include – but are not limited to – institutions. Institutions are collective and intentional objects that draw on a variety of criteria of justice or ‘worth’ in order to lend normative sense to decisions and actions occurring in relation to management, production and consumption. These criteria are not decided prior to action, nor are they fixed in time and space or closed to challenge, but rather they emerge in the ongoing process of solving specific problems and achieving particular goals. They are both guides for action and collective systems to legitimize those actions that can be submitted to testing and discussion, leading to compromises and possibly replacement ([Boltanski and Thévenot, 1991](#); [Eymard-Duvernay 2006a and b](#); [Favereau and Lazega 2002](#); [Ponte and Gibbon 2005](#); [Wilkinson 1997](#)).

In other recent Anglophone literature, convention theory has been used mainly as a source of inspiration for developing typologies of various dimensions of product quality. Moreover, the emphasis here has been nominalistic and ideological, using elements of the frameworks of [Boltanski and Thevenot \(1991\)](#) and [Eymard-Duvernay \(1989\)](#), partly to identify the introduction of new ‘civic’ dimensions of product quality, and partly as a basis for interpreting disputes around civic quality as reflecting struggles *for or against* a contemporary capitalist project. In such an approach, capitalism is said to be striving not only to commodify new product qualities that arise in opposition to it, but also to commodify information about those products through the creation of systems to certify particular qualities, a trend that [Freidberg \(2003; 2004\)](#) terms ‘double fetishism’. These dynamics are said to lead to a hollowing out of organic, fair trade, ecologically-friendly, etc. dimensions of ‘ethical’ products ([Barham 2002](#); [Raynolds 2002, 2004](#); [Renard 2003](#)).

In a previous contribution to this journal, Ponte and Gibbon (2005) used convention theory to analyze the repertoires of justification that were employed to legitimize specific functional divisions of labor along GVCs, in terms of conventions on corporate organization. Specifically, they examined how the twin paradigms of financialization and shareholder value (cf [Froud et al. 2000](#)) provided a reference point for proposing and justifying certain forms of outsourcing, and for applying specific quality

management approaches in GVCs. At the same time they noted that, although this generally coincided with the propagation of specific interpretations regarding the quality of products, enterprises, managers and workers—generally in terms of price and conformity with certain standard industrial measures—this dominant discourse did not exclude other interpretations. Moreover, lead enterprises typically represented supplier management, quality management and specific product quality parameters as unique and defining characteristics of their own enterprises and operations, and as such suggested that suppliers had to engage with these proprietary corporate norms in order to participate in the value chains they controlled. While the use of convention theory to unpack GVC governance is continued by one of the authors elsewhere (Ponte 2008), in this collection the effort to understand governance in terms of normalization is carried out by Gibbon and Ponte, who discuss normalization in terms of governmentality. Their contribution and those of the other three papers comprising this special issue are summarized briefly below.

The articles in this collection

As part of an effort to situate GVC analysis, Bair's contribution to this special issue provides a review of the broader terrain in which most discussions of governance have developed: the literature on economic networks. Pointing out that the economic globalization literature actually draws on different theoretical traditions of network analysis, she reflects on these different network epistemologies that underlie the embeddedness paradigm of the new economic sociology and the various "global chains" approaches. The concept of embeddedness, which was elaborated by the American sociologist Mark Granovetter as a sociological counterpart to Oliver Williamson's theory of transaction cost economics, maintains that the social context in which economic action is embedded shapes economic organization and outcomes. Bair emphasizes that Granovetter's construct of the embedded network is based on a microsociological conceptualization of social structure as networks of interpersonal relations. Arguing that this creates an implicit spatial bias towards the local, she calls on researchers applying the concept of embeddedness to the analysis of economic globalization to make explicit how embedded networks "go global" as a form of relational governance. She offers an assessment of the Global Production Networks (GPN) framework as one approach within economic geography that is grappling with how to reconcile a macro and structural account of global economic organization with a grounded analysis of how particular firms in specific geographical, institutional and industry contexts organize their activities and their relations with other actors.

Bair also traces the network construct that underlie the various iterations of global chain analysis. While the world-systems tradition of commodity chain research opted for a holistic and long-range historical approach to the study of international trade and production networks, the GCC framework and most recently the GVC theory of governance has progressively narrowed the scope of this perspective, focusing analytical attention on specific chains or even on a particular link in a given chain. Although most comparative discussions of the GCC and GPN frameworks have focused on their differences, she suggest that these approaches are more complementary than contending approaches, sharing more in common with each other than with the GVC theory of governance, which reduces the network construct to the dyadic ties between two links in a value chain. Bair's exegesis of the network concept in these different approaches makes clear that if the GPN framework is trying to borrow from the relational perspective of the new economic sociology, the GVC theory represents the opposite

trend, as it draws from the analytical and theoretical toolkit of transaction cost economics to develop a parsimonious theory of global value chain governance as inter-firm coordination.

Gibbon and Ponte continue their effort of understanding GVC governance in terms of ‘normalization’ through the lenses of governmentality. The need for such an analysis stems from the fact that the two conceptualizations of GVC governance analyzed above see governance, whether conceptualized as drivenness or coordination, as emanating from given distributions of attributes between firms along chains. Yet both these approaches, despite their claim to be empirical, do not examine the programmatic formulation of objectives and practices by experts located in institutions serving actors at specific points along chains. In the governmentality literature, economic governance is conceived in terms of invoked models of practice, and it is interpreted through economic agents’ descriptions of their own governing (or governed) practices. Gibbon and Ponte apply a governmentality perspective to the discussion of GVC governance via the analysis of the programme of government for purchasing (later, supply management) within US manufacturing in the post World War II period. They account for what buyers believe governance *should* look like and discover that for the most part, normative representations of buying do not match actual practices. More generally, they raise the question of whether traditional GVC analysis has overestimated the extent of systemic, widespread, industry- or sector-specific GVC governance.

The articles by Palpacuer and Milberg examine how the governance of global value chains articulates with other dimensions of global economic governance. Their contributions feature two main themes: the relation between specific forms of corporate governance and the rise of buyer-driven governance, and the relation between buyer-driven governance of GVCs and the institutionalization of economic regimes at the global level.

In relation to the link between changing forms of corporate governance and changing forms of GVC governance, Palpacuer (this volume) explores the relationship between the rise from the early 1990s onward of shareholder-based forms of corporate governance, using financialist rationales, and the process whereby GVC governance takes on more explicitly buyer-driven characteristics, both across a wider range of chains and also more systematically within those chains (such as clothing) already characterized by it. Drawing on the shareholder value notion prominent within the literature on present-day capitalism (see, for example, the 2000 special edition of *Economy and Society* on this topic), Palpacuer examines the implications for GVC analysis of a shareholder model that privileges re-engineering, formalization and standardization of business practices in the service of maximizing returns on invested capital. Palpacuer notes that this paradigm, in turn, implies concentration of investment in higher return activities, the externalization of manufacture and manufacture-related service functions, the rationalization of supply bases, and stringent monitoring of supplier performance. Evidence in support of this association includes a survey of European clothing retailers by [Palpacuer et al \(2005\)](#), demonstrating a statistically significant relation between corporate financialization (defined by the share of paid up capital held by institutional shareholders) and the adoption of aggressive and elaborately formalized supplier management practices, as a proxy for buyer driving. Elsewhere Palpacuer demonstrates a similar relation between financialization and the adoption of practices promoting the standardization of out-sourced components, identified by [Sturgeon \(2002\)](#) with modular GVCs, but also said by Palpacuer to reflect buyer-driving ([Palpacuer and Tozalnı 2008](#)).

In his contribution to this collection, Milberg seeks to demonstrate the same relationship between corporate financialization and the process by which GVCs increasingly take on buyer-driven characteristics, but his analysis implies different indicators and methods. Following Stockhammer (2004), and indeed the bulk of the US literature, Milberg defines financialization in terms of a redistribution of corporate profit towards dividends and share buy-backs, and away from investment. His data shows that financialization in this sense has become a very pronounced trend across the entire US corporate sector. However, it is particularly pronounced in those sectors where import penetration is highest. In other words, as Milberg points out, there is a correlation between financialization and outsourcing. Milberg operationalizes GVC governance in buyer-driven forms also in terms of its putative effects on import prices. Very high levels of buyer-driving—of the sort associated with retail concentration and the clout of huge mass discounters such as Wal-Mart – may even imply the use of buying power in global supply markets, which, where present, should generate reductions in the unit value of imports. Milberg attempts to demonstrate this by establishing a positive relationship between levels of import penetration and downward changes in the unit values of imports by sector. Thus, in sum, financialization is associated with outsourcing, which is, in turn and at least in part, associated with buying power in global markets.

A second theme in these two papers is the relation between governance of buyer-driven GVCs and the shaping of economic regimes at the global level. The two articles approach this relation in quite different ways. Palpacuer isolates the dimensions of economic regimes historically privileged in the Regulationist tradition – i.e. institutional arrangements stabilizing capitalist accumulation in terms of wealth distribution, and thereby demand. Milberg instead isolates the institutional arrangements stabilizing demand at the level of the international balance of payments.

For Palpacuer, capitalist accumulation was classically stabilized in distributional terms in the 20th century on the basis of labor laws and institutionalized collective bargaining (implying relatively high levels of union density in western countries). The transformation of the global economy into a series of increasingly buyer-driven value chains, facilitated by capital mobility, has undermined this process by weakening labor through measures such as reforming labor laws and/or collective bargaining protections. However, societal response to the perceived consequences of globalization has generated a corporate accountability movement in developed countries, as well as international networks seeking to provide the disorganized with at least some degree of resources, visibility and bargaining power. The extent and effectiveness of this trend in terms of institutionalizing redistribution on a global scale remain to be explored.

Milberg suggests that, at least in the short to medium term, the main threat to global economic stability does not relate to income inequality, although growing income inequality both in the U.S. and China is likely to have local effects with global spillovers. Instead, the main threat is the size of the U.S. balance of payments deficit resulting from its soaring import dependence. The reverse side of this deficit is a huge trade and foreign exchange surplus in China. However, stability is nonetheless secured, since the high levels of U.S. corporate profitability associated with outsourcing and buying power attract a large share of Chinese reserves to a U.S. investment portfolio in which corporate assets play an increasing role. In the longer term, however, China may have to confront the trade off between investment in the U.S. and wealth distribution at home, placing a larger question mark over the future of global economic imbalances and their stabilization on the basis of the further reproduction of this buyer-driven regime.

Conclusions and directions for further theoretical development

For more than a decade, an interdisciplinary literature on global value chains has underscored the ways in which organizationally fragmented and geographically dispersed processes of production have been a critical feature of economic globalization. In its various forms, the governance concept refers to the diverse forms and methods used to manage these processes across geographic space and across the organizational boundaries of individual firms. In this introductory paper to a special section of *Economy and Society* on GVC governance, we have reviewed the evolution of the governance debate, from Gereffi's (1994) initial distinction between producer-driven versus buyer-driven chains to later work which incorporates different perspectives on governance as a process of transactional coordination or as discursive constructions of economic activity drawing on broader normative and institutional conventions.

One of the questions that we have addressed, which is also raised by some of the other articles in this collection, is the extent to which these perspectives on GVC governance should be seen as contending or complementary. The discussion above suggests that efforts to elaborate the theoretical content of GVC analysis, whether in respect of developing a model explaining variations in how lead firms coordinate their relations with first tier suppliers, or in respect of substantially elaborating the normative dimension of governance, create some vexing problems for the coherence and integrity of GVC analysis as a single, unified paradigm. For example, incorporating Gereffi, Humphrey and Sturgeon's theory of governance as coordination implies a re-conceptualization of GVC analysis whereby a single analytic approach is replaced by a set of parallel models for different sub-sets of GVC phenomena (possibly supplemented by an overarching model subsuming these partial ones). Acceptance of a restatement of the foundations of GVC governance in terms of normalization has implications which are seemingly more disintegrative to GVC analysis in terms of a unified analytical approach.

This observation provokes two further reflections. The first concerns why, following the conference on GCCs whose proceedings were published in Gereffi and Korzeniewicz's *Commodity Chains and Global Capitalism* (1994), the perspective's effort for the next decade was concentrated on accreting an increasing number of studies of individual chains (and later, also strands of the same chains), with theory being referred to only sporadically. The second concerns why, when finally subject to theorization, this process has taken the form of importing blocks of analysis fashioned in unrelated traditions (the transaction cost branch of neo-institutional economics, the convention theory avatar of classical Durkheimian sociology, Regulation theory, etc.). No final answer to these questions is provided in this collection, but such an answer may be looked for in the nature of the metaphor of the chain underlying GVC analysis.

The fruitfulness of the chain metaphor is that it allows a highly abstract idea (economic globalization) to be grasped concretely, in terms of a series of relations organized around the economy's most tangible entities (commodities or goods). But from another angle, this strength may also be construed as a weakness. Applications of the chain metaphor appear to unfold in terms of separateness, difference, and uniqueness. This is mirrored in the rather hostile reactions that have always followed

efforts at generalization, beginning with Gereffi's famous producer- versus buyer-driven distinction. As was noted, this reaction (of which the current authors were a part) passed eventually from challenging the adequacy of extant typologies of governance to questioning the very notion of governance structure as a dynamic or characteristic that applies to a value chain in its entirety. As researchers have learned more about the network structures of global industries, the global value chain as an ideal type becomes lost amidst ever more detailed descriptions of the numerous, distinct strands that comprise them. Confirmation of the uniqueness and diversity that exists within a specific chain has almost always relied upon not only time-consuming and painstaking fieldwork, but also upon explanations of these findings that have tended to refer to or rely on new, imported concepts. Efforts to arrive at generalization then depend increasingly on borrowing much from wider conceptual or theoretical traditions. In turn, this raises, but does not resolve, the question of whether GVC analysis is better understood as a methodological approach to studying the phenomenon of economic globalization, as opposed to a theory that attempts to explain it.

What happened to 'value'?

The trend toward a re-configuration of GVC analysis in terms of mainstream economics or some version of economic sociology has had as an apparent side-effect – a shift of practitioners' interest away from discussions of 'value' (a topic that an innocent observer might assume should lie at the heart of theories of global *value* chains). The question of value has two components: firstly, how and by what processes value is created; and secondly, how and by what processes the resulting value is distributed. The first of these components has been hardly discussed at any stage of the development of GVC analysis (for a partial exception, see [Daviron and Ponte 2005](#)). The second was touched on frequently from the mid-1990s onward, initially almost exclusively in terms of the shares of final prices associated with different links in given chains (see, for example, Talbot 1997), but was not subject to an attempt at theorisation until around 2000-01.

This attempt, associated mainly with Kaplinsky ([Fitter and Kaplinsky 2001](#); [Kaplinsky and Morris 2001](#); see also Wood 2001), focused on distribution of overall returns along a given chain between lead firms and suppliers, with distribution within supplier firms between owners and workers seen, in part, as a consequence of this.⁴ The analysis advanced of the lead firm-supplier distribution of returns was based on a melange of work by [Singer \(1950\)](#) and [Prebisch \(1950\)](#) on the falling terms of trade of primary products, and [Bain's \(1956\)](#) and similar 'Schumpeterian' work on entry barriers and the rents associated with them. The distribution of returns between lead firms and suppliers was said to be a consequence of the nature and the magnitude of the rents that they were able to respectively command. In this regard, suppliers' generation of rents by one or another form of differentiation was given the status of an independent variable, and some GVC research focused specifically on how developing-country suppliers might improve their ability to generate greater rents and thus extract more value from the chain—a process frequently referred to in this literature as upgrading. Furthermore, where they were able to command such rents, suppliers were able to move out of 'open market' chains where they would be subjected to the exercise of oligopolistic buyer power. Kaplinsky and Morris (2001: 78-86)

⁴ The main factors playing a role in the distribution of returns between owners and labor were said to remain exogenous to chains: national labor market conditions and the productivity and skill composition of supplying-firm labor forces (Wood 2001).

provide a methodological guide for how to measure the distributions of total value-added, total profit and total income along a chain, as well as providing indicators for the presence of various kinds of rents. However, they provide no formal statement of how to measure differentiation-related rents or to estimate their contribution to the shares of value-added, profit or income commanded by suppliers in the chain.

Subsequently, where value distribution has been returned to in GVC work, it has been through an appropriation of the financialization perspective (mainly the version promoted by Lazonick and O'Sullivan 2000) rather than via the earlier discussion of value as rent creation. This move has implied a return to the earlier focus on value as a consequence or reflection of difference in shares of final prices. The financialization literature has been used to distinguish a recent (post-1995) way in which lead firms have implemented driving within buyer-driven chains. Aggressive use of market power asymmetry is seen as central here, with changes in the relative magnitude of lead firms' and suppliers' shares of the final price as a direct effect (cf Daviron and Ponte 2005; Gibbon and Ponte 2005; Milberg this issue).

Three (self-)critical observations can be made in this connection. The first is whether proponents of this perspective are still dealing with chain governance and its effects, as opposed to a type of corporate governance on the one hand (cf Palpacuer, this issue) and classical market power on the other. The second is whether, in any event, the relative magnitude of buyers' and suppliers' shares of final price is a good way of measuring market power, since this does not consider the costs incurred by different parties. Arguably, the measures found in the recent industrial economics literature provide greater accuracy.⁵ Thirdly, as Kaplinsky and Morris (2001) pointed out at the inception of the GVC value discussion, shares of final prices expressed in unit terms provide only limited information about distributional outcomes between buyers and sellers, since the latter also depend upon economies of scale. Clearly, one of the main priorities of further work on GVC governance, whatever the perspective adopted, must be addressing these issues.

Theory integration or fragmentation?

A second conundrum facing GVC analysis is how to further develop its theory (or theories) of governance. To address this, we begin by reflecting on a recent effort by Sturgeon (2008) to clarify the relationship between the earlier producer-driven versus buyer-driven governance distinction (Gereffi 1994) and the new typology laid out in the GVC theory of governance he helped develop (Gereffi et al 2005). Sturgeon argues that while the buyer-driven category grasped the importance of external networks in the coordination of global production processes, it did not differentiate between different network forms, and so failed to capture the diversity of inter-firm relationships that exist. The initial framework was also unable to model how dynamic processes of technological change and learning at the firm- and industry-levels affect coordination between links in chains. Sturgeon (2008) argues that the new GVC governance theory proposed in Gereffi et al (2005) was developed, in part, to compensate for these limitations. Thus, the proponents of the new GVC theory of governance do not

⁵ For a review of this literature as it has been applied to the coffee industry see Gibbon (2007: 59-60 and 68-70).

necessarily argue that their analysis supplants the earlier formulation of governance as driving.⁶ Rather than providing an explanation for governance as a property of, or process applying to, an entire chain, their goal was to identify a few basic variables that determine how one particular transaction in the chain was coordinated. Links beyond those between lead firms and the first tier supplier(s), as well as broader regulatory environments or influences, were bracketed in order to reduce analytical ‘noise’ and thus create conditions for the elaboration of a simple model that could be used to elaborate and test hypotheses.

Two reactions to these claims are possible. On the one hand, the usefulness of the coordination detour might be questioned. While taking this route may make the GVC perspective more attractive to academic constituencies, especially economists, who privilege formal model building as a mode of knowledge generation, it is not clear whether the theory of governance as coordination generates any new insights to which GVC analysis otherwise would have been blind. So far, the model has not been widely enough applied for a judgment to be reached on this question.

A second reaction would be to accept the coordination turn in GVC analysis as a legitimate but incomplete variation on the governance theme, and then concentrate on how this theory of governance as coordination could articulate with other GVC approaches to governance. Thus, the model of [Gereffi et al. \(2005\)](#) would be viewed as one contribution to a wider project of theory construction which would also include work seeking to grasp: (1) those aspects of relations between lead firms and first-tier suppliers not dependent on the three variables identified in the coordination approach; (2) relations between first-tier suppliers and those in other tiers; and (3) the interrelation between findings generated by applications of the new model and those generated by studies falling under headings (1) and (2). If this reaction, rather than the first, is proposed, then a clarification and re-tuning of terms has to be undertaken. This would actually entail making a clearer distinction between coordination and other conceptualizations of governance. Relations dependent on the knowledge content of transactions along a chain, as well as to the pre-given capacities of suppliers, where these can be defined objectively, could be referred to as coordination. The term governance of value chains could then be reserved for the *combination* of coordination with other aspects of relations between the various actors in a chain; these aspects will depend on variables such as firm size and market share, as well as on external influences, including relevant regulatory environments. Still, this leaves unsolved the question of the mechanisms through which such combination works.

A second hurdle arising in relation to theory integration, already alluded to above, is the extent to which normative as well as regulatory, economic-structural and transactional perspectives can be included within a common general framework for GVC analysis. Understanding GVC governance in normative terms poses challenges for the two other perspectives on governance. If both lead firms and their suppliers are subject to normalization, i.e. they act out value chain roles within the shifting boundaries set by normative systems circulating in and shared by society at large, then what is the status of driving? This role, or at least most of its content, is not chosen by specific lead firms; rather,

⁶ In a recent co-authored paper on the relationship between global buyers and local producers in Korea and Taiwan (Hamilton and Gereffi 2008), Gereffi has returned to the construct of the buyer-driven commodity chain, providing support for Sturgeon’s claim that the new typology of governance proposed by Gereffi et al. (2005) is not intended to replace the GCC framework’s original buyer-driven versus producer-driven distinction.

the latter simply give it a material form. This is not to deny that real effects may be generated by these actions of lead firms on suppliers and suppliers' employees, or on the countries that are included or excluded from GVCs according to suppliers' characteristics as perceived by the lead firm. Nor is this to deny that systematic differences may arise in the real effects of participation in some types of GVC rather than others – since different types of developed country corporations (e.g., large retailers) may be more likely to act out some value chain roles than others. The point is rather that if the dynamic behind these effects is ultimately discursive, it will shape not only how suppliers' required actions are formulated but also the processes through which they are translated (or not) into practice, and through which conformity or deviance in relation to them is recognized, interpreted and acted on.

In conclusion, the eclecticism of the GVC literature reflects a multi-disciplinary and loosely integrated but vibrant research tradition that offers a range of perspectives for scholars to draw on, some might say as needed, given the specific research question at hand. This eclecticism, rather than being a burden, could arguably be considered a positive asset. In our assessment, a single orthodoxy on GVC governance would put a straight-jacket to an analytical framework that has been able to explain some broad trends, commonalities and differences. Although some aspects of theory integration are possible, as suggested above, others entail fundamental epistemological and analytical incongruities. Thus, further development within each tradition of GVC governance (as driving, coordination and normalization) is likely to remain the main means by which theory formation occurs.

References

- Bain, J.** (1956) *Barriers to new competition*. Cambridge, MA: Harvard University Press.
- Bair, J.** (2005) 'Global Capitalism and Commodity Chains: Looking Back, Going Forward', *Competition and Change* 9(2): 153-180
- Bair, J.** (2008) 'Commodity Chains: Genealogy and Review', in J. Bair (ed.) *Frontiers of Commodity Chain Research*. Palo Alto, CA: Stanford University Press.
- Bair, J.** (this volume) 'Analyzing Global Economic Organization: Embedded Networks and Global Chains Compared', *Economy and Society*.
- Bair, J. and Dussel Peters, E.** (2006) 'Global Commodity Chains and Endogenous Growth: Export Dynamism and Development in Mexico and Honduras', *World Development* 34(2): 203-221.
- Barham, E.** (2002) 'Towards a Theory of Values-based Learning', *Agriculture and Human Values* 19 (4): 349-60
- Boltanski, L. and Thévenot, L.** (1991) *De la justification. Les économies de la grandeur*. Paris: Gallimard.
- Clancy, M.** (1998) 'Commodity chains, services and development: Theory and preliminary evidence from the tourism industry', *Review of International Political Economy* 5(1): 122-48.

- Coe, N., Hess, M., Yeung, H.W., Dicken, P. and Henderson, J.** (2004) 'Globalizing regional development: a global production networks perspective', *Transactions of the Institute of British Geographers* 29(4): 468-484.
- Daviron, B. and Ponte, S.** (2005) *The Coffee Paradox: Global Markets, Commodity Trade and the Elusive Promise of Development*. London: Zed Books.
- Dolan, C. and Humphrey, J.** (2000) 'Governance and Trade in Fresh Vegetables: The Impact of UK Supermarkets on the African Horticulture Industry', *Journal of Development Studies* 37(2): 147-76.
- Eymard-Duvernay, F.** (1989) 'Conventions de Qualité et Formes de Coordination', *Revue Economique* 40(2): 329-59
- Eymard-Duvernay, F.** (ed.) (2006a) *L' économie des conventions, methods et resultants*. Tome 1: Debats. Paris: La découverte.
- Eymard-Duvernay, F.** (ed.) (2006b) *L' économie des conventions, methods et resultants*. Tome 2: Developpements. Paris: La découverte.
- Eymard-Duvernay, F., Favereau, O., Orléan, A. Salais, R. and Thévenot, L.** (2006) 'Valeurs, coordination et rationalité: trois thèmes mis en relation par l' économie des conventions', in F. Eymard-Duvernay (ed) *L' économie des conventions, methodes et resultats. Tome 1: Debats*. Paris: La découverte.
- Favereau, O. and Lazega, E.** (eds.) (2002) *Conventions and Structures in Economic Organizations*. Cheltenham: Edward Elgar
- Fitter, R. and Kaplinsky, R.** (2001) 'Who gains from product rents as the coffee market becomes more differentiated? A value chain analysis', *IDS Bulletin* 32(3): 69-82
- Fold, N.** (2001) 'Restructuring of the European chocolate industry and its impact on cocoa production in West Africa', *Journal of Economic Geography* 1(3): 405-20.
- Fold, N.** (2002) 'Lead firms and competition in 'bi-polar' commodity chains: Grinders and branders in the global cocoa-chocolate industry', *Journal of Agrarian Change* 2(2): 228-47.
- Freidberg, S.** (2003) 'Cleaning up Down South: Supermarkets, Ethical Trade and African Horticulture', *Social and Cultural Geography* 4(1): 27-43
- Freidberg, S.** (2004) *French beans and food scares: Culture and commerce in an anxious age*. Oxford: Oxford University Press.
- Froud, J., Haslam, C., Johal, S. and Williams, K.** (2000) 'Shareholder value and the political economy of late capitalism', *Economy and Society* 29(1): 1-12.
- Gereffi, G.** (1994) 'The organization of buyer-driven global commodity chains: How US retailers shape overseas Production networks', in G. Gereffi and M. Korzeniewicz (eds.) *Commodity chains and global capitalism*. Westport, CT: Praeger Publishers.
- Gereffi, G.** (1995) 'Global production systems and Third World Development', in B. Stallings (ed.) *Global change, regional response: The new international context of development*. Cambridge: Cambridge University Press

- Gereffi, G., Humphrey, J. and Sturgeon, T.** (2005) 'The governance of global value chains', *Review of International Political Economy* 12(1): 78-104.
- Gereffi, G. and Korzeniewicz, M.** (eds.) (1994) *Commodity chains and global capitalism*. Westport, CT: Praeger Publishers
- Gibbon, P.** (2001) 'Upgrading primary production: A global commodity chain approach', *World Development* 29(2): 345-63.
- Gibbon, P.** (2007) 'Africa, tropical commodity policy and the WTO Doha round', *Development Policy Review* 25(1): 43-70.
- Gibbon, P. and Ponte, S.** (2005) *Trading down: Africa, value chains, and the global economy*. Philadelphia: Temple University Press.
- Gibbon, P. and Ponte, S.** (this volume) 'Global Value Chains: From Governance to Governmentality?'
- Hamilton, G. and Gereffi, G.** (2008) 'Global Commodity Chains, Market Makers, and the Rise of Demand-Responsive Economies', in J. Bair (ed.) *Frontiers of Commodity Chain Research*. Palo Alto, CA: Stanford University Press.
- Henderson J., Dicken, P., Hess, M., Coe, N., and Yeung, H.** (2002) 'Global production networks and the analysis of economic development', *Review of International Political Economy* 9(3): 436-464.
- Hess, M.** (this volume) 'Governance, Value Chains and Networks: An Afterword'.
- Hess, M. and Yeung, H.** (2006) 'Whither production networks in economic geography?' *Environment and Planning A* 38: 1193-1204.
- Hopkins, T. and Wallerstein, I.** (1994) 'Commodity chains: Construct and research', in G. Gereffi and M. Korzeniewicz (eds.) *Commodity chains and global capitalism*. Westport, CT: Praeger.
- Kaplinsky, R. and Morris, M.** (2001) *A handbook for value chain research*. Available at www.seepnet.org
- Lazonick, W. and O'Sullivan, M.** (2000) 'Maximizing shareholder value: A new ideology for corporate governance', *Economy and Society* 29(1): 13-35.
- Maddison, A.** (2001) *The World Economy. A Millennial Perspective* Paris: OECD.
- Milberg, W.** (this volume) 'Shifting Sources and Uses of Profits: Sustaining U.S. Financialization with Global Value Chains'.
- O'Riain, S.** (2004) 'The politics of mobility in technology-driven commodity chains: Developmental coalitions in the Irish software industry', *International Journal of Urban and Regional Research* 28(3): 642-663
- Palpacuer, F.** (this volume) 'Governance and Wealth Distribution in Global Value Chains'.
- Palpacuer, F. and Tozani, S.** (2008) 'Changing governance patterns in European food chains: The rise of a new divide between global players and regional or multi-national producers', *Transnational Corporations*, forthcoming.

- Palpacuer, F., Gibbon, P. and Thomsen, L.** (2005) 'New challenges for developing country suppliers in global clothing chains: A comparative European perspective', *World Development* 33 (3): 409-430
- Ponte, S.** (2002) "'The latte revolution'?: Regulation, markets and consumption in the global coffee chain', *World Development* 30(7): 1099-1122
- Ponte, S.** (2008) 'Governing through Quality: Conventions and Supply Relations in the Value Chain for South African Wine', *Sociologia Ruralis* (under review).
- Ponte, S. and Gibbon, P.** (2005) 'Quality standards, conventions and the governance of global value chains', *Economy and Society* 34(1): 1- 31.
- Prebisch, R.** (1950) 'The economic development of Latin America and its principal problems', *Economic Bulletin for Latin America* 7.
- Rabach, E. and Kim, E. M.** (1994) 'Where Is the Chain in Commodity Chains? The Service Sector Nexus?' in G. Gereffi and M. Korzeniewicz (eds.) *Commodity chains and global capitalism*. Westport, CT: Praeger Publishers.
- Raynolds, L.** (2002) 'Consumer-producer links in fair trade coffee networks', *Sociologia Ruralis* 42(4): 404-24.
- Raynolds, L.** (2004) 'The globalization of agro-food networks', *World Development* 32(5): 725-43.
- Renard, M.** (2003) 'Fair Trade: Quality, Market and Conventions', *Journal of Rural Studies* 19: 87-96.
- Schmitz, H. and Knorringa, P.** (2000) 'Learning from Global Buyers', *Journal of Development Studies* 37(2): 177-205.
- Singer, H.** (1950) 'The distribution of gains between investing and borrowing countries', *American Economic Review* 15: 473-85.
- Stockhammer, E.** (2004) 'Financialisation and the slowdown of accumulation', *Cambridge Journal of Economics* 28: 719-741.
- Sturgeon, T.** (2001) 'How do we define value chains and production networks?' *IDS Bulletin* 32(3): 9-18.
- Sturgeon, T.** (2002) 'Modular production networks. A new American model of industrial organization', *Industrial and Corporate Change* 11(3): 451-496.
- Sturgeon, T.** (2008) 'From Commodity Chains to Value Chains: Interdisciplinary theory building in an age of globalization', in J. Bair (ed.) *Frontiers of Commodity Chain Research*. Palo Alto, CA: Stanford University Press.
- Talbot, J.** (1997) 'Where does your coffee dollar go? The division of income and surplus along the coffee commodity chain', *Studies in Comparative International Development* 32(1): 56-91
- Talbot, J.** (2008) 'The Comparative Advantages of Tropical Commodity Chain Analysis', in J. Bair (ed.) *Frontiers of Commodity Chain Research*. Palo Alto, CA: Stanford University Press.
- Wilkinson, J.** (1997) 'A New paradigm for Economic Analysis?' *Economy and Society* 26(3): 305-39.
- Wood, A.** (2001) 'Value chains: An economist's perspective', *IDS Bulletin* 32(3): 41-45.

