

## Global Value Chain Analysis- SAMPLE SYLLABUS

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Global Value Chain (GVC) analysis has become one of the dominant frameworks for understanding globalization and development issues over the past three decades. The origins of this approach date back to a mid-1990s conference and volume on *Commodity Chains and Global Capitalism* (Praeger, 1994) organized by Gary Gereffi and Miguel Korzeniewicz at Duke University. In the early 2000s, the GVC Initiative was launched by a group of scholars sponsored by the Rockefeller Foundation and coordinated by Gereffi, Tim Sturgeon (MIT) and John Humphrey (Institute of Development Studies, Sussex, UK). As an outgrowth of the GVC Initiative, Gereffi founded the Center on Globalization, Governance & Competitiveness (CGCC) at Duke University in 2005, whose name was changed in 2017 to the [Duke Global Value Chains Center](#) (Duke GVCC).

The Duke GVC Center is the pre-eminent university-based research center focused on GVC analysis. It has engaged in extensive collaborations with international organizations (such as the World Bank, World Trade Organization, International Labor Organization and the World Economic Forum), multilateral and bilateral development agencies (such as the Inter-American Development Bank, the African Development Bank, the U.S. Agency for International Development, and the U.K. Department for International Development), leading non-governmental organizations related to the environment and sustainable development (e.g., Environmental Defense Fund, Oxfam America and the Audubon Group), and strategic consulting for a host of national and local governments (e.g., Chile, Costa Rica, Mexico, Brazil, Canada, Peru, South Korea, Vietnam, China and Pakistan).

This course is designed to give participants the essential tools used in GVC analysis, and to apply these tools in writing an integrated course paper on a country and industry of the student's choosing. The course instructors are intimately familiar with the theories, methodology and projects associated with the Duke GVC Center. Gary Gereffi is the Founding Director of Duke GVCC and Danny Hamrick has more than 10 years of experience as a Senior Researcher at the Duke GVC Center and Research Affiliate at the Duke Center for International Development (DCID) in the Sanford School for Public Policy. The course utilizes a wide variety of readings and GVC case studies to illustrate the two central pillars of the GVC approach: (1) industry *governance structures*, which highlight how global industries are organized around GVC lead firms and their global supply chains; and (2) country *upgrading trajectories*, which define how countries are tied into global industries, and the criteria used to analyze economic, social and environmental upgrading programs and outcomes. Because the GVC literature has exploded in popularity in recent years, one of the major goals of this course is to help understand the evolution of these concepts and how they are currently applied to a wide range of country and industry settings.

## Course Requirements

Throughout the semester, students will prepare brief memos using key ideas from the readings. These memos are building blocks for your final course paper, and they will be posted on Sakai. The course instructors will set up regular meetings with students outside of normal course meetings to discuss student's interests and progress.

**Country-based GVC research paper:** Understanding how countries are linked to the global economy via specific industries is a major theme in this course. This involves utilizing both a “top-down” perspective that focuses on international industries and the firms that compose them, and a “bottom-up” perspective that looks at how countries are linked to and move up (or down) in the global economy over time. *Your research paper will examine the experiences of at least one developing country over the past 10-15 years in terms of its efforts to upgrade in at least one global value chain.* Your final paper will be 20-25 double-spaced pages in length, plus tables, charts, and a bibliography.

In writing your country development paper, you will begin by choosing a focal country and a key industry for that country's development. For example, you might choose the cocoa industry in Ghana, automobiles in Mexico, oil in Indonesia, motorcycles in Vietnam, offshore services in India, tourism in Kenya, mobile phones in China, medical devices in Costa Rica, wine in Chile, and so on. Your focus will be on how established industries might find new ways to improve their position or move up value chains, and how industrial diversification might proceed based on industries or technologies of the future. We will circulate guidelines early in the semester that highlight specific topics to be covered in the paper.

**During the semester, you will write periodic memos as inputs for your paper.** These memos will include topics we are covering in class, such as: the governance structure and lead firms in the GVC you are studying; a value chain mapping of how your country is positioned in this GVC; upgrading (or downgrading) trajectories typical for this industry; a stakeholder analysis of key local actors; and policy recommendations related to upgrading options for the next phase of the country's development.

Your final research paper will count for 65% of your course grade, and your memos and other inputs on the readings and assigned topics for the remaining 35%. The content and evaluation of memos will be discussed in a separate document posted in Sakai under Resources/Information.

## Course Info and Readings

Most of the materials related to this course are available through Sakai <<https://sakai.duke.edu/>>. Students in PubPol 790.05 should log onto Sakai on a regular basis for announcements, course documents, supplementary lecture materials, and convenient communication tools such as group pages, assignment tools, and discussion boards. E-mail will be a key form of communication in this course, so check your e-mail accounts regularly for messages from the instructors.

There is no core textbook for this course. However, two books are strongly recommended for the course and multiple chapters from each are included in the syllabus: Gary Gereffi, *Global Value Chains and Development: Redefining the Contours of 21<sup>st</sup> Century Capitalism* (Cambridge University Press, 2018); and Stefano Ponte, Gary Gereffi and Gale Raj-Reichert (eds.), *Handbook on Global Value Chains* (Edward Elgar Publishing, 2019). The *GVCs and Development* volume charts the emergence and evolution of the GVC framework in 13 seminal articles published over the past 25 years, plus an introductory chapter on the origins of the GVC concept and a new concluding chapter on “Protectionism and GVCs” that looks at the current U.S.-China trade war and the rise of China. The *Handbook on GVCs* contains 35 chapters by leading GVC scholars highlighting key accomplishments in the field over the past two decades and future theoretical and research challenges. Both books are available in paperback at the Duke Textbook Store, or they can be ordered from Amazon.

In addition to chapters from these two books, the course will include a number of original GVC studies and guest lectures by researchers from Duke's [Global Value Chains Center](#).

## COURSE OUTLINE AND READING LIST

### Session 1 **Introduction to the Course**

Overview of course and self-introductions. The co-instructors, Gary Gereffi and Danny Hamrick, will lay out the main objectives, format and requirements for the course. We will strive to vary lectures, guest speakers, online resources and discussions to help students navigate both the literature and research tools related to GVC analysis, and to build step-by-step an original course paper on the countries and industries of greatest interest to each participant.

### Session 2 **The Origins of Global Value Chains**

Gary Gereffi. (2022). [“On the Road to Global Value Chains: How Industry Dynamics Reshaped Global Value Chains.”](#) In M. Kipping, T. Kurosawa, and D.E. Westney (eds), *Oxford Handbook of Industry Dynamics*, Oxford University Press (forthcoming).

*Recommended:* Gary Gereffi, *Global Value Chains and Development* (CUP, 2018), Chapter 5, “The Global Economy: Organization, Governance, and Development.”

[The original versions of previously published articles from Gereffi, *Global Value Chains and Development* (CUP, 2018) are available in Sakai.]

### Session 3 **Globalization and Supply Chains in a Pandemic-Defined Era**

Lizzie O’Leary. (2020). [“The Modern Supply Chain Is Snapping,”](#) *The Atlantic*, Mar. 19.

David Yaffe-Bellany and Michael Corkery. (2020). [“Dumped Milk, Smashed Eggs, Plowed Vegetables: Food Waste of the Pandemic,”](#) *New York Times*, April 11.

Shannon K. O’Neil. (2020). [“How to Pandemic-Proof Globalization: Redundancy, Not Reshoring, Is the Key to Supply-Chain Security,”](#) *Foreign Affairs*, April 1.

Ian Bremmer. (2022). [“Globalization Isn’t Dead: The World is More Fragmented But Interdependence Still Rules,”](#) *Foreign Affairs*, Oct. 25.

Raghuram G. Rajan. (2023). [“The Gospel of Deglobalization: What’s the Cost of a Fractured World Economy,”](#) *Foreign Affairs*, January/February.

*Recommended:* Gary Gereffi and Joonkoo Lee. (2012). “Why the World Suddenly Cares About Global Supply Chains,” *Journal of Supply Chain Management* 48, 3 (July): 24-32.

### Session 4 **Supply Chain Fragmentation and Resilience During Covid-19: The Case of Medical Supplies**

Gary Gereffi. (2020). [“What Does the COVID-19 Pandemic Teach Us about Global Value Chains? The Case of Medical Supplies,”](#) *Journal of International Business Policy*, 3, 3: 287-301.

Gary Gereffi, Pavida Pananond, and Torben Pedersen. (2022). [“Resilience Decoded: The Role of Firms, Global Value Chains, and the State in COVID-19 Medical Supplies,”](#) *California Management Review*, 64, 2: 46-70.

- Session 4      **Global Value Chains (GVC) Framework: Introduce work of Duke GVC Center – 2005-2018.**
- Gary Gereffi and Karina Fernandez-Stark, [“Global Value Chain Analysis: A Primer,” 2<sup>nd</sup> Edition](#). Durham, NC: Duke GVC Center. July 29, 2016.  
[Reprinted in G. Gereffi, *GVCs and Development* (CUP, 2018), Chapter 11.]
- Case of Chile – from natural resources (copper, salmon & wine) to offshore services.*
- [“Chile’s Offshore Services Value Chain”](#) (Karina Fernandez-Stark, Penny Bamber and Gary Gereffi). Report prepared for CORFO, Chile, March 1, 2010.
- Case of GVCs in the Philippines (multiple industries).*
- [“The Philippines in the Cocoa-Chocolate Global Value Chain”](#) (Danny Hamrick, Karina Fernandez-Stark and Gary Gereffi). Report prepared for USAID. April 1, 2017.
- Session 5      **Cases of Costa Rica (electronics, med devices, and offshore services) and N. Carolina.**
- [“Costa Rica in Global Value Chains: Medical Device, Electronics, Aerospace and Offshore Services”](#) (Gary Gereffi, Penny Bamber, Stacey Frederick and Karina Fernandez-Stark). Report prepared for Costa Rica’s Ministry of Foreign Trade (COMEX), August, 2013.
- Recommended:* Gary Gereffi, Stacey Frederick and Penny Bamber, “Diverse paths of upgrading in high-tech manufacturing: Costa Rica in the electronics and medical devices global value chains,” *Transnational Corporations* 26, 1 (2019): 1-29.
- [North Carolina in the Global Economy](#) – review 7 top NC industries in this website.
- Recommended:* [“Smart Grid: Core Firms in the Research Triangle Region, North Carolina”](#) (Marcy Lowe, Hua Fan and Gary Gereffi). Report for the Institute for Emerging Issues, North Carolina State University, Raleigh, NC. May 24, 2011.
- Session 6      **Trade Analysis : Introduction to United Nations Comtrade analysis**
- Session 7      **GVC Mapping**
- Gary Gereffi and Miguel Korzeniewicz, "Commodity Chains and Footwear Exports in the Semiperiphery". Pp. 45-68 in William Martin (ed.), *Semiperipheral States in the World-Economy* (Westport, CT: Greenwood Press, 1990).
- Stacey Frederick, “Global value chain mapping.” Ch. 1, pp. 29-53 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).
- Session 8      **Economic Upgrading in GVCs**
- Gary Gereffi, “Economic upgrading in global value chains.” Ch. 14, pp. 240-254 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

Read Ch. 1 and at least one industry chapter in [Skills for Upgrading: Workforce Development and Global Value Chains in Developing Countries](#) (Gary Gereffi, Karina Fernandez-Stark and Phil Pisilos). Durham, NC: Duke University, CCGC, 2011. This extensive report includes detailed case studies on economic upgrading and workforce development in four GVCs: fruit and vegetables; apparel; offshore services; and tourism.

Gary Gereffi, *Global Value Chains and Development* (CUP, 2018), Chapter 6-7 & 10.

- Ch. 6, “Local Clusters in Global Chains: The Causes and Consequences of Export Dynamism in Torreon’s Blue Jeans Industry” (with Jennifer Bair)
- Ch. 7, “Development Models and Industrial Upgrading in China and Mexico”

## Session 9

### **Social and Environmental Upgrading**

Arianna Rossi, “Social upgrading.” Ch. 16, pp. 272-284 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

Stephanie Barrientos, “Gender dynamics in global value chains.” Ch. 20, pp. 324-338 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

Gary Gereffi, *Global Value Chains and Development* (CUP, 2018), Ch. 10, “Economic and Social Upgrading in Global Value Chains and Industrial Clusters: Why Governance Matters” (with Joonkoo Lee).

*Recommended:* Stefano Ponte. “Which Way is “Up” in Upgrading? Trajectories of Change in the Value Chain for South African Wine” *World Development* 37, 10 (2009) 1637-1650

Valentina De Marchi et al., “Environmental upgrading in global value chains.” Ch. 19, pp. 310-323 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

Duke GVC Center projects with the Environmental Defense Fund (EDF).

[Manufacturing Climate Solutions: Carbon-Reducing Technologies and U.S. Jobs](#) (Gary Gereffi, Kristen Dubay and Marcy Lowe). Durham, NC: Center on Globalization, Governance & Competitiveness, Duke University, 2008.

*Recommended:* European Commission, [ERA Industrial Technology Roadmap for Circular Technologies and Business Models in the Textile, Construction, and Energy-Intensive Industries](#), 2023.

## Session 10

### **GVC Governance Structures and the Role of the State**

Gary Gereffi, John Humphrey, and Timothy Sturgeon, “The Governance of Global Value Chains,” *Review of International Political Economy* 12, 1 (2005): 78-104.

[Reprinted in G. Gereffi, *GVCs and Development* (CUP, 2018), Chapter 4.]

Stefano Ponte, Timothy J. Sturgeon, and Mark Dallas, “Governance and power in global value chains.” Ch. 6, pp. 120-137 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar Publishing, 2019).



Robert H. Wade, “The developmental state: Dead or alive?” *Development and Change* 49, 2 (2018): 518-546.

Rory Horner and Matthew Alford, “The role of the state in global value chains.” Ch. 34, pp. 555-569 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

David J. Lynch, “[Biden’s ‘Buy America’ bid runs into manufacturing woes it aims to fix](#),” *Washington Post*, Feb. 18, 2023.

*Recommended:* Ajmal Abdulsamad and Hernan Manson, “Public-private partnerships in global value chains.” Ch. 33, pp. 537-554 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

#### Session11 **Natural Resource-based GVCs (Agriculture)**

Danny Hamrick, Michaela DeSoucey, and Nino Bariola, “Distillations of Authenticity: A Comparative Global Value Chain Analysis of Pisco,” *Regional Studies*, 2022. DOI: <https://www.tandfonline.com/doi/full/10.1080/00343404.2022.2115027>.

“[Jamaica in the Arabica Coffee Global Value Chain](#)” (Jack Daly, Danny Hamrick, Karina Fernandez-Stark, and Penny Bamber). Report for The Organization of American States (OAS), Washington D.C. May 1, 2018.

#### Session 12 **Natural Resource-based GVCs (Oil & Mining)**

Raphael Kaplinsky and Mike Morris, “Thinning and Thickening: Productive Sector Policies in the Era of Global Value Chains,” *European Journal of Development Research*, 28 (2016): 625-645.

“[Covid-19 Precipitated the Age of Copper: Are producing countries prepared to supply the world and capture greater value?](#)” (Karina Fernandez-Stark, Penny Bamber, and Martin Walter), Inter-American Development Bank blog, Sept. 2, 2020.

*Recommended:* Penny Bamber, Karina Fernandez-Stark, and Gary Gereffi, “[Peru in the Mining Equipment GVC: Opportunities for Upgrading](#),” Duke CGGC report commissioned by the World Bank, Jan. 29, 2016.

Karina Fernandez-Stark, Vivian Cuoto, and Penny Bamber, “[Industry 4.0 in Developing Countries: The Mine of the Future and the Role of Women](#),” World Bank report, Jan. 28, 2019.

#### Session 13 **Industry 4.0 and the Digital Economy**

Lukas Brun, Gary Gereffi and James Zahn, “The ‘lightness’ of Industry 4.0 lead firms: Implications for global value chains.” Pp. 37-67 in Patrizio Bianchi, Clemente Ruiz Durán and Sandrine Labory (eds.), *Transforming Industrial Policy for the Digital Age: Production, Territories and Structural Change* (Cheltenham, UK: Edward Elgar, 2019).

Timothy J. Sturgeon, “[Upgrading Strategies for the Digital Economy](#),” *Global Strategy Journal*, 11 (2021): 34-57.

*Recommended:* United Nations Conference on Trade and Development (UNCTAD). *World Investment Report 2017*, “Investment and the digital economy,” Ch. 4, and Technical Annex: The Top 100 Digital MNEs.

Xinyi Wu and Gary Gereffi, “*Amazon and Alibaba: Internet governance, business models, and internationalization strategies.*” Pp. 327-356 in Rob Van Tulder, Alain Verbeke, and Lucia Piscitello (eds.), *International Business in the Information and Digital Age*. Progress in International Business Research, Vol. 13. Bingley, UK: Emerald Publishing, 2019.

Fuyi Li, Stacey Frederick and Gary Gereffi, “E-commerce and industrial upgrading in the Chinese apparel value chain,” *Journal of Contemporary Asia* 49, 1 (2019): 24-53.

#### Session 14

#### **China’s Dominant Role in GVCs**

Gary Gereffi, *Global Value Chains and Development* (CUP, 2018), Chapter 15, “Protectionism and Global Value Chains.”

Kevin Rudd, “[The World According to Xi Jinping](#),” *Foreign Affairs*, November/December, 2022.

Fareed Zakaria, “The new China scare: Why America shouldn’t panic about its latest challenger,” *Foreign Affairs*, “The Future of Capitalism,” vol. 99, no. 1 (Jan./Feb. 2020): 52-69.

T. Mickle et al., “[Apple Built Its Empire in China. Now Its Foundation Is Showing Cracks](#),” *New York Times*, Nov. 7, 2022.

*Recommended:* David Barboza, “[How China Built ‘iPhone City’ with Billions in Perks for Apple’s Partner](#),” *New York Times*, Dec. 29, 2016.

Selected chapters [to be announced]: Gary Gereffi, Penny Bamber, and Karina Fernandez-Stark (eds), [China’s New Development Strategies: Upgrading from Above and from Below in Global Value Chains](#) (Palgrave Macmillan, 2022).

#### Session 15

#### **Manufacturing, the Reshoring of Production, and Climate Change: Why Do Global Supply Chains Matter?**

Written testimony of Gary Gereffi to the U.S. Senate Committee on Commerce, Science and Transportation, Legislative Hearing on “[Implementing Supply Chain Resiliency](#)” in Washington, D.C. July 15, 2021. (See [Duke interview](#)).

Willy C. Shih. (2020). “[Bringing Manufacturing Back to the U.S. Is Easier Said Than Done](#),” *Harvard Business Review*, April 15.

*Recommended:* Gary P. Pisano and Willy C. Shih, “Does America really need manufacturing? Yes, when production is closely tied to innovation.” *Harvard Business Review* (March 2012): 94-103.

Jostein Hauge and Ha-Joon Chang, “The role of manufacturing versus services in economic development.” Pp. 12-36 in Patrizio Bianchi et al. (eds.), *Transforming*

*Industrial Policy for the Digital Age: Production, Territories and Structural Change* (Cheltenham, UK: Edward Elgar, 2019).

A. Ghosh et al., "[The New Way to Fight Climate Change: Small-scale Cooperation Can Succeed Where Global Diplomacy Has Failed](#)," *Foreign Affairs*, Nov. 4, 2022.

*Recommended:* Mike Morris and Cornelia Staritz, "Industrialization paths and industrial policy for developing countries in global value chains." Ch. 31, pp. 506-520 in *Handbook on Global Value Chains* (Cheltenham, UK: Edward Elgar, 2019).

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