

WORKSHOP TITLE

The Politics of Global Value Chains: the Globalization of Production and the Challenge of Governance

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OUTLINE

The globalization of trade, production, and distribution systems stands out as one of the most important developments in the contemporary international economy (Antras 2010). Until the 1990s, most retailers and producers in advanced capitalist economies bought or produced the bulk of their products and inputs domestically. However, the growth of the industrial capabilities of a number of important developing countries enabled such producers to cut costs and streamline production by outsourcing their labour-intensive, less value-added operations to low(er) income countries while at the same time retaining core competencies such as innovation and product strategy, marketing, and the highest value-added segments of manufacturing and services (Elms and Low 2013; OECD et al. 2013; Lanz and Miroudot 2011).

The importance of these developments can hardly be overstated. Today, trade in intermediates accounts for over two-thirds of total imports for the majority of OECD countries (Johnson and Noguera 2012). Moreover, it is estimated that more than 80% of merchandise exports and imports of pivotal international economic players now takes place within global networks of production and distribution (see Bernard et al. 2009 for data on the US). As a result, many goods (and increasingly also services) are no longer being produced in a certain country but are “made in the world” and it is now widely accepted that these changing patterns of trade, production and distribution crucially affect countries at all income and development levels (Taglioni and Winkler 2014). Unsurprisingly, shedding light on the political dynamics that drives and is engendered by these transformations has been identified as one of the key challenges for scholars in the field of International Political economy (IPE) (Neilson et al. 2014).

The Global Value Chains (GVCs) framework – or the Global Commodity Chain (GCC) framework as it was first called – has emerged in recent decades as a promising conceptual tool around which systematic thinking on these phenomena can be developed (for a discussion on the history of GVC and GCC research see Bair 2009). The GVC framework enables us to capture the interconnectedness of the increasingly geographically dispersed patterns of trade and production across the globe (De Backer and Miroudot 2014; Gereffi and Fernandez-Stark 2011; Gereffi et al. 2005; Neilson et al. 2014). Since the term GCCs was first coined, a promising research programme has developed. For one, the GCC and later GVCs framework spurred a rich empirical research agenda aimed at capturing the interconnectedness of economies and shifting patterns of trade and production across the globe, as witnessed by the wide array of large-scale data gathering and analysis projects recently initiated by key international organizations. Prime examples are the OECD-WTO Joint Trade in Value Added Database (TiVA) (OECD-WTO 2015) and the European Commission funded World Input-Output Database (Timmer et al. 2015). Studies on the economic impact of GVCs sponsored by the World Bank (Taglioni and Winkler 2014) and by the International Monetary Fund (Saito et al. 2013) are also noteworthy in this regard. In addition, the GVCs framework triggered much work by economists, sociologists and geographers (and increasingly also anthropologists and historians) who have gone a long way in describing the phenomenon of GVCs in general and the organisation and consequences of global production in various industries in particular (Gibbon et al. 2008). Especially noteworthy in this regard is the work on the implications of GVCs for the dynamics of global economic competition and which firms control and coordinate production and trade activities within GVCs (Gereffi 1999; Humphrey and Schmitz 2002; Sturgeon et al. 2008).

Despite these important contributions, our understanding of GVCs remains far from comprehensive. In particular, the “political” side of the story has received surprisingly little attention in the extant literature. Our workshop aims to fill this gap by seeking contributions from different theoretical, conceptual, and methodological angles that address one of the following broad areas in the study of the politics of GVCs: (1) collective action, interest representation and patterns of state-society interactions; (2) implications for global governance; (3) domestic regulatory politics and varieties of capitalism, and (4) international relations and power politics.

RELATION TO EXISTING RESEARCH

In this workshop we thus aim to bring together scholars studying the politics of GVCs. Existing work in the field of IPE has focused on two broad types of issue. Some scholars have focused on the internal dynamics of GVCs, seeking to conceptualize and account for different governance patterns *within* them (Gereffi et al. 2005; Gibbon et al. 2008; Neilson et al. 2014). The main aim of this research is to highlight “the concrete practices and organizational forms through which a specific division of labour between lead firms and other economic agents involved in the conceptualization, production and distribution of goods in global industries is established and managed” (Gibbon et al. 2008: 319). Another group of scholars has investigated the implications of GVCs for policy outcomes, particularly in the area of trade policy. These studies have shown how GVCs have given rise to the political mobilization and empowerment of anti-protectionist societal interests (for an early argument along those lines see Destler and Odell 1987) and, as such, GVCs may decrease demands for protection during economic crises (Milner 1987). More recent work has focussed on the particular implications of GVCs for import protection (in particular through anti-dumping- and safeguard measures) and finds that GVCs reduce political support for the imposition of such trade barriers (Blanchard et al. 2016; Eckhardt 2013; 2015; Jensen et al. 2013; 2015). Others have found that GVCs promote support for trade liberalization through Preferential Trade Agreements (PTAs) (Antras and Staiger 2012; Baccini et al. 2014; Baldwin 2011; Chase 2003; Eckhardt and Poletti forthcoming; Kim 2015; Kim et al. 2016; Manger 2009; Orefice and Rocha 2014).

Notwithstanding the relevance and quality of these contributions, a much broader range of crucial political implications of GVCs have remained largely off the radar screen of scholars so far. Our workshop aims to bring together scholars aiming to fill these gaps. We are interested to receive paper proposals addressing any of the following themes/questions.

Collective action, interest representation and patterns of state-society interactions. The emergence of GVCs are a crucial feature of the contemporary world economy and can be expected to create systematic effects on the preferences of organized societal actors, on the incentives these groups face when deciding to mobilize politically and, ultimately, on how public and private actors organize their interactions to produce particular policy outcomes. We welcome contributions that systematically investigate the implications of the emergence of GVCs for the politics of collective action and interest representation by firms and civil society organisations, in both advanced and developing countries, and in different issue areas.

Implications for global governance. Existing studies have shown that GVCs have already affected in significant ways the existing architecture of global economic governance, most notably by engendering critical political support for PTAs. It is plausible to expect that GVCs implications for global economic governance extend beyond this field. Surprisingly, for instance, almost no research has been conducted to explore what the implications of GVCs are for the multilateral trading system. In addition, GVCs can be expected to have an impact beyond the realm of international trade governance, affecting the incentives and constraints public and private actors face when deciding to engage in processes of regulatory cooperation in a wide array of issue areas such as competition, labour standards, investment, environmental protection and so on. Also, GVCs should be important

in determining the modes of global governance that relevant political actors strive for, plausibly increasing the demand for flexible, network-based systems of (private) regulation. Finally, GVCs should be critical in understanding the underlying causes and effects of the growingly important phenomenon of “regime complexity” in global governance. We welcome contributions that seek to systematically shed light on the causal links connecting GVCs and the politics of global governance.

States’ regulatory capacity and varieties of capitalism. In recent years, a central question in IPE scholarship has become how globalization affects the regulatory capacity of traditional nation-states. The centrality acquired by GVCs in the contemporary world economy opens up new challenges for the understanding of how the incentives and constraints brought about by globalization affect states’ capacity to extract resources to provide regulatory and redistributive public goods. We are interested in contributions that address this broad question, and we particularly welcome work that look at this question through the lens of the varieties of capitalism framework.

International relations. The effects of GVCs can be expected to critically affect patterns of international competition beyond the sphere of the economy. As GVCs are critical in affecting patterns of relative economic growth and development, they can be expected to, at least indirectly, influence states’ security-related concerns. These might include balance-of-power considerations, relative gains concerns hegemonic decline/transition, alliances etc. We welcome contributions that analyse GVCs through the lenses of traditional International Relations approaches.

LIKELY PARTICIPANTS

An increasing number of scholars work in this emerging field of research. We will widely circulate the call for papers to reach scholars that deal with the topic from a variety of different theoretical and methodological angles.

TYPE OF PAPERS REQUIRED

We are interested in original and innovative contributions to the literature on the politics of global value chains, independent of the theoretical, conceptual, and methodological angle from which these contributions approach the topic. We welcome papers that cover theoretical and methodological aspects in the study of the political underpinnings and effects of global value chains. Particularly, however, we seek to attract papers that offer novel (theory-guided) empirical work. This empirical work can be in the form of single case studies, comparative case-studies across issue areas or over time, and large-N quantitative analyses.

BIOGRAPHICAL NOTES

Jappe Eckhardt is Lecturer (Assistant Professor) in Politics and International Relations at the University of York. His research and teaching interests are in the fields of International Political Economy, International Organizations, Global Governance and European and Asian Regionalism. More specifically, most of his research to date has focused on trade politics, the role and influence of non-state actors in (economic) policy making and the political economy of global value chains. His works has been published or is forthcoming in journals such as *Global Public Health*; *Journal of Common Market Studies*; *Journal of European Public Policy*; *Journal of International Constitutional Law*; *Journal of World Trade* and *World Trade Review*. He is also the author of the book “Business Lobbying and Trade Governance: The Case of EU-China Relations” (Palgrave 2015).

Arlo Poletti is Assistant Professor of International Public Policy at the Department of Political Science and School of Government of the LUISS Guido Carli. His research and teaching interests are in the field of International Political Economy, Global Governance and International Regulatory Politics. More specifically, his research focuses on the political economy of judicial politics in the WTO,

regulatory politics in the WTO and Preferential Trade Agreements, interest groups lobbying in global institutions and the politics of global value chains. His work has been published and is forthcoming in journals such as *Regulation & Governance*, *World Trade Review*, *Journal of European Public Policy*, *Journal of Common Market Studies*, *West European Politics*, *Journal of World Trade*, and *Third World Quarterly*. He is the author of the book *The European Union and Multilateral Trade Governance: The Politics of the Doha Round* (Routledge 2012) and he co-authored (with Dirk De Bièvre) the book *Judicial Politics and International Cooperation: From Disputes to Deal-Making in the World Trade Organization* (ECPR Press, forthcoming).

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