

**GLOBALIZATION, EMPLOYMENT, AND ECONOMIC DEVELOPMENT**  
*Sloan Workshop Series in Industry Studies*

**June 14-16, 2004**  
**Yankee Clipper Inn, Rockport, Massachusetts**

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***Workshop Summary***

We are organizing a workshop on the topic of globalization and employment. The aim is to bring together two distinct networks of researchers — from the Sloan Industry Centers and from Rockefeller's Global Value Chain Initiative — to identify, develop, and consolidate the conceptual and methodological state of the art regarding globalization's effects on economic development and employment. We would also like to hear from industry leaders, policy-makers and activists who are struggling to understand and respond to globalization's effects on the US economy, as well as on their stakeholders, jurisdictions, and companies. Through this collaboration we can build on the detailed industry studies that have been conducted within each research network to create an overarching view of globalization that cuts across a wide range of manufacturing, service, agricultural, and primary commodity industries. The broad aim is to sharpen our view of the economic effects of globalization. The globalization of professional and service occupations, because it is new, will be of particular interest.

The rapid advance of globalization has led many industry researchers to common ground. In the Sloan Industry Centers, research on the competitiveness of US industries naturally followed American firms abroad as they set up elaborate and tightly integrated global-scale operations, sometimes through direct ownership, sometimes through trade, and increasingly through various forms of outsourcing that provide a greater or lesser degree of control without ownership. For researchers in the Global Value Chains Initiative, the starting point was the prospects for industrial upgrading in developing countries, but like the Sloan Industry Studies, attention has increasingly shifted toward global-scale trade, production, distribution, and service networks. Because of this convergence of interests and research, it seems an opportune moment to bring these two research networks together, in roughly equal numbers, to see if we can hammer out a common view of the trends, opportunities, and challenges that sum up contemporary globalization.

We have proposed this collaboration for several reasons. First, we believe that a common framework may well prove more powerful than any that might be developed in isolation. One reason for this is the different industries that were initially studied by each network. Global Value Chain research tended, in the beginning, to focus on labor and resource intensive industries such as coffee, cocoa, fresh vegetables, cut flowers, and apparel; while Sloan Industry Studies began with a greater focus on technology and capital intensive industries such as autos, electronics, and steel. In

the past, this division was quite natural given the geographic distribution and national character of these industries, but today, they are increasingly interconnected and integrated across the globe, and they all make use of leading edge technology, at the very least in the form of advanced information technology to support and coordinate global operations. As a result, Sloan Industry Studies in apparel, food, trucking, software, motor vehicles, and venture capital have gone global, while Global Value Chain research has increased its focus on capital, technology, and knowledge intensive industries such as motor vehicles, electronics, and software, as well as on the strategies of US-based lead firms in labor intensive industries such as the Gap and Starbucks. The power of the collaboration, then, will come from the initial diversity and growing overlap of research interests and expertise. The different starting points and motivations of the two research groups will naturally bring different perspectives to the table, while the common concerns will create high potential for the generation of fresh and powerful insights through cross-fertilization.

Second, as the field of inquiry has expanded to a wider range of countries and locations, the expertise required to effectively conduct research and accurately interpret results has risen as well, and so we believe that our own reaction to globalization should be to pool our efforts, share our insights, and build bridges. Third, both research groups have run up against an extremely vexing set of questions related to globalization's effects on employment. Because of this common conundrum, we feel it will be necessary to invite a few scholars from outside both networks with special insight into the methodological and measurement issues related to globalization's effect on employment. We will also strive to keep our discussion grounded in particular industries, places, and groups of workers. To this end we will invite a representative handful of business and policy professionals from the local area to join in our discussions and tell us of their experiences.

The workshop will be held at the Yankee Clipper Inn in Rockport Massachusetts ([www.yankeeclipperinn.com](http://www.yankeeclipperinn.com)) on June 14-16, 2004, with arrivals on the Sunday afternoon and evening, the 13<sup>th</sup> and departures on Wednesday the 16<sup>th</sup> after a morning session and lunch. About 15-20 people will attend the workshop.

### **What are the Sloan Industry Centers?**

[From the Sloan Foundation website [www.sloan.org](http://www.sloan.org).] The first Sloan Industry Center was established in 1990 -- the International Motor Vehicle Program at MIT. Since then a total of 22 centers have been established at 15 universities across the country. Current industry centers include finance, motor vehicles, trucking, airline, information storage, semiconductors, food, apparel and textiles, construction, managed care, paper, software, electricity, printing, personal computers, legal and professional services, and retaining. All the centers generally involve faculty from economics and a wide variety of business and technical disciplines. In addition, depending upon the industry and the issues of importance to that industry, some centers also include faculty from the other social sciences (e.g., anthropology, sociology), the humanities (e.g. history), public policy, industrial relations, law, agriculture, medicine, public health, etc.

Research conducted at the centers employs a wide variety of both quantitative and qualitative research methods, and is characterized by the researchers having close contact with the people in the industry for data, observations, and insights. We believe that such observation based work by well informed academics has led to the many significant practical contributions the centers have made to their industries over time. Since the beginning of the Sloan Industry Centers program, well over 700 faculty members and 850 graduate students have taken part in the centers' research.

There have been over 300 Ph.D.'s produced, most of whom have gone on to other academic positions and many of whom have continued to study industries.

### **What is the Global Value Chains Initiative?**

[From the Global Value Chains website [www.globalvaluechains.org](http://www.globalvaluechains.org).] The Global Value Chains Initiative, supported by the Rockefeller Foundation, seeks to consolidate and foster the “global value chains perspective,” an industry-centric view of economic globalization that highlights the linkages between economic actors and across geographic space. The initiative is a multi-year effort to test and develop the global value chains perspective with the aim of creating greater analytical precision and intellectual impact. Our efforts include a research thrust, a publishing thrust, the development and dissemination of industrial upgrading handbooks for practitioners, and a series of intensive workshops convened to test and broaden the framework through interactions with the academic, policy-making, and activist communities. The global value chains website contains a summary of the approach, research papers, and links to related sites.

A key part of the Initiative has been a series of meetings — two at the Rockefeller conference center in Bellagio, Italy, and one in Rockport, Massachusetts — that have brought together 16-18 academics, policy-makers, and activists to help develop, refine, and test the global value chains perspective. The aim of developing this perspective has been to explain the variations in global value chain governance that have been observed by a wide range of global industry studies. Our hope is that the perspective will help policy-makers and activists understand and deal with the consequences of globalization in terms of industrial upgrading, work, employment, and poverty alleviation. A paper summarizing the perspective is forthcoming in *Review of International Political Economy*, and is available on the “publications” page of the global value chains website under the title “The Governance of Global Value Chains.”