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Office hours: Tu 4-5 pm (or by appointment)

Spring 2010
MW, 11:40 am-12:30 pm
Friday, 10:05-10:55; 11:40-12:30
Social Sciences 119

Organizations and Global Competitiveness **Soc. 142**

There is much debate about how societies can develop and become more competitive in today's global economy. A basic premise of this course is that international competitiveness requires an understanding of the organization of markets, which may be viewed as networks of buying and supplying firms organized around the provision of finished goods and services. These organizational chains are increasingly global, and have complex and shifting governance structures that specify the power relations among the organizations in the chain. This framework reveals surprising facts about who controls global industries, which firms make the most money and why, and how new business capabilities are emerging that will determine the corporate leaders of tomorrow.

Attention in the course will focus on the organizational dynamics of diverse global industries, and on the competitive strategies of their leading firms. The geographic spread of these industries encompasses all major regions of the world, both as production sites and markets. This course will expose students to current theories regarding international competitiveness; it will require students to access and analyze the most widely utilized international trade databases, and learn how to present this information effectively in tables, charts and graphs; and it will provide a team project experience in designing and evaluating research connected to contemporary global issues.

Course Requirements

There will be a mid-term examination, a team project involving the creation of a Global Industry Website, and a paper required for this course. The mid-term exam, the team project, and your paper each count for 30% of the course grade, and class participation for 10%. The teaching assistants for this course are **Sowmya Rajan** (sowmya.rajan@duke.edu) and **Yanlong Zhang** (yz69@soc.duke.edu) of the Sociology Department.

Mid-Term Exam. There will be a take-home, open-book, mid-term examination that will be handed out in class on Monday, March 1st, and due back on Wednesday, March 3rd. Completed exams must be typed, and a page limit will be set. The drop-off procedure for exams will be explained in class.

Global Industry Websites. There is a major team project required in this course. Teams comprised of 4 students will be formed, each focusing on a different global industry. Students will be given a list of industries from which to choose, or they also have the option of adding a new industry to the list. A comprehensive industry list could include the following general categories, which may need to be broken down into more specific products:

- *Primary products:* Bananas, cocoa, coffee, fruit and vegetables, oil, timber.

- *Consumer nondurable products:* Apparel, footwear, sporting goods, toys, video games.
- *Consumer durable products:* Airplanes, automobiles, computers, mobile telecommunication devices.
- *Intermediate products:* Computer software, hard disk drives, semiconductors, chemicals.
- *Services:* Banking, tourism, education, logistics, temporary staffing agencies.

Each industry website will be constructed according to a series of key dimensions outlined in a separate memo, and illustrated in class sessions covering a variety of different global industries. Several student groups selected by the instructors will present their Global Industry Websites in class.

Research Paper. The research paper will require you to compare two countries or global companies, and analyze them in terms of the perspectives and issues covered in class. If you choose countries, you should focus on their development over the past 10-15 years, and indicate the main factors that have promoted or hindered their international competitiveness. You will be expected to use the United Nations Comtrade database and other relevant economic statistics to document the countries' economic performance in relevant global industries. If you choose to compare companies, you should highlight their strategies regarding international production, and the domestic or offshore distribution of jobs, revenues, and profits. Have these companies been gaining or losing ground in the global economy, and why? How have the companies handled pressures toward greater corporate social responsibility in the international arena? For both countries and companies, provide specific recommendations for improving their competitiveness during the next three to five years. The papers should be typed, doubled-spaced, and no more than 10 pages in length.

Blackboard and Readings

A wide range of materials related to this course will be available through Blackboard <https://courses.duke.edu/>. All students in Soc. 142 will be expected to log into Blackboard on a regular basis for announcements, course documents, supplementary lecture materials, and convenient communication tools such as group pages, student drop boxes, and discussion boards. E-mail will be an important form of communication in this course, so check your e-mail accounts frequently.

The following book will be read for the course. It is available at the Duke University Bookstore.

Thomas L. Friedman. *The World Is Flat: A Brief History of the 21st Century*. Release 2.0 (updated and expanded). New York: Farrar, Straus and Giroux, 2006.

The remainder of the readings assigned for the course can be accessed via Blackboard.

COURSE OUTLINE AND READING LIST (Spring 2010)

Jan. 13 Introduction to the course

Jan. 15 Discussion sections

Jan. 18 Martin Luther King, Jr. Day holiday

The Competitiveness Debate: What Does It Take to Succeed in Global Business?

Jan. 20 **U.S. Perspectives on Global Business, Pre-1990**

Magaziner & Patinkin, *The Silent War*, Introduction and ch. 1.

Jan. 22 Discussion section. – Bring to class an article that appeared in the last 3 months that illustrates an important issue for U.S. competitiveness. Be prepared to summarize and discuss it.

Jan. 25 Magaziner & Patinkin, *The Silent War*, ch. 2;

Robert B. Reich, “Who Is Us?” (*Harvard Business Review*, January/February 1990).

Jan. 27 **Contemporary Issues: Offshore Production and the Outsourcing of Jobs**

Peter Engardio, Aaron Bernstein, and Manjeet Kripalani. 2003. “Is your job next?” *Business Week*, February 3, pp. 50-60.

Gary Pisano and Willy Shih, “Restoring American competitiveness.” *Harvard Business Review* 87, 7/8 (July/Aug 2009), pp. 114-125.

Gary Pisano et al., “Is the United States outsourcing its competitiveness?” *Harvard Business Review* 87, 10 (October 2009), pp. 134-135.

Jan. 29 Discussion sections

The Changing Global Economy

Feb. 1 Gary Gereffi. 2005. “The global economy: Organization, governance, and development.” Pp. 160-182 in Neil J. Smelser and Richard Swedberg (eds.), *The Handbook of Economic Sociology*, 2nd ed. Princeton, NJ: Princeton University Press and Russell Sage Foundation.

Gary Gereffi, John Humphrey and Timothy Sturgeon, “The governance of global value chains.” *Review of International Political Economy* 12, 1 (2005): 78-104.

Feb. 3 Apparel: The globalization of a designer dress.
Film: Robert Reich (host), “Made in America? – Winners and Losers.”

Feb. 5 Discussion sections

Analyzing International Trade Data

Feb. 8 Introduction to **UN Comtrade** – Gary Thompson, Social Science Research Institute

Consult the United Nations Comtrade database user's guide at <http://library.duke.edu/research/help/databases/guides/uncomtrade/index.html>

- Feb. 10 How to display and organize trade information.
Demonstrate how to build up from raw WTA data to purposeful tables, graphs, and charts; emphasis on effective "visual display of data."
- Feb. 12 Discussion sections
WTA "product" assignment – Create 2 tables that look at shifts in national, regional, or global export and import patterns for a single product over at least a 10-year time span.

Is the World Flat? Playing Catch Up in the Global Economy

- Feb. 15 Thomas Friedman, *The World Is Flat*, chs. 1-3.
- Feb. 17 Film: Thomas L. Friedman Reporting, "The other side of outsourcing." Discovery Channel, 2003.
- Feb. 19 Discussion sections
- Feb. 22 Thomas Friedman, *The World Is Flat*, chs. 4-8.
Ben Worthen, Cari Tuna and Justin Scheck. 2009. "Companies more prone to go vertical," *Wall Street Journal*, Nov. 30, 2009.
<http://online.wsj.com/article/SB125954262100968855.html>
- Feb. 24 Thomas Friedman, *The World Is Flat*, chs. 9-13.
Thomas Friedman, "Who's sleeping now?" *New York Times*, Jan. 10, 2010.
- Feb. 26 Discussion sections
- March 1 Question & Answer, and review session.
[Hand out **take-home mid-term exam** at the end of class.]
- March 3 **Mid-Term exam due:** Returned to Rm. 268 Soc/Psych Bldg. (or electronically).
There will be no class held on this date.
- March 5 Discussion section film: Robert Reich (host), "Made in America? Who's the Enemy?"

SPRING RECESS

- March 15 **Global Industry Websites**
Introduction to team projects (with memo from instructor).
- March 17 **Globalization and Economic Competitiveness**
Presentation on Duke's library and web resources for research on global industries (Joel Herndon, Perkins Library). For a link Perkins' resource guide, see <http://library.duke.edu/research/subject/guides/globalization/index.html>.

March 19 Discussion sections: Teams will discuss internal management protocols and timelines for their projects, and review sample industry websites from prior semesters in Soc. 142 [http://www.markets.duke.edu/student_it/soc142_selected/ for six Global Industry Websites from Spring 2002 semester]

Submit team list of proposed industry or product (provide at least 3 ranked choices)

How Wal-Mart Shapes Global Industries

March 22 Film: “Is Wal-Mart Good for America?” Public Broadcasting System (PBS) Frontline, narrated by Hedrick Smith, Nov. 2004.
Also consult website, <http://www.pbs.org/wgbh/pages/frontline/shows/walmart/>

March 24 **Wal-Mart, the world’s most powerful retailer: Is its new corporate sustainability initiative for real?**
Gary Gereffi and Michelle Christian. 2009. “The Impacts of Wal-Mart: The Rise and Consequences of the World’s Dominant Retailer.” *Annual Review of Sociology* 35: 573-591.
Walmart. 2008. “Sustainability Index Summit: Taking Action to Address a Global Imperative.” July 14-16.

March 26 Discussion sections
Submit 2-page team outline for global industry project.

Corporate Social Responsibility and Sustainable Development – A New Era?

March 29 Guest speaker: Dan Vermeer, Ph.D., Director, Corporate Sustainability Initiative (CSI), Fuqua School of Business, Duke University.
Topic: “Corporations and the sustainability challenge: New rules for creating value in a sustainable economy”

March 31 Guest speaker: Vivek Wadhwa, Executive in Residence, Pratt School of Engineering, Duke University
Reverse brain drain?
Vivek Wadhwa. 2009. “A reverse brain drain.” *Issues in Science and Technology*, National Academy of Sciences (Spring): 45-52. Electronic access: <http://www.issues.org/25.3/>
“Craig Barrett takes on Vivek Wadhwa in the tech education debate.” *TechCrunch*. March 14, 2010. Electronic access: <http://techcrunch.com/2010/03/14/craig-barrett-takes-on-vivek-wadhwa-in-the-tech-education-debate/>
Vivek Wadhwa, “Why American needs to start educating its workforce again.” *TechCrunch*. March 27, 2010. Electronic access: <http://techcrunch.com/2010/03/27/why-america-needs-to-start-investing-in-its-workforce-again-2/>
Tom Friedman, “America’s real dream team.” *New York Times*, March 21, 2010. Electronic access: <http://www.nytimes.com/2010/03/21/opinion/21friedman.html>

April 2 Discussion sections: Defining and combining economic, social and environmental sustainability

Submit 1-page proposal for final course paper.

Emerging Economies and Workforce Development

April 5 **The emerging global labor market**

Diana Farrell, Martha A. Laboissière, and Jaeson Rosenfeld. 2005. "Sizing the emerging global labor market." *The McKinsey Quarterly*, No. 3, Aug. 5.

Gary Gereffi. 2009. "Development models and industrial upgrading in China and Mexico." *European Sociological Review* 25, 1 (February): 37-51.

Gary Gereffi. 2007. "American consumers to blame for huge trade deficit with China," editorial, *Baltimore Sun*, Feb. 8.

April 7 Rob van Tulder, "Chains for Change." Position paper for 2009 Max Havelaar lecture, Nov. 4, 2009. It can be downloaded at <http://www.maxhavelaarlecture.org/>

Stephanie Barrientos, Gary Gereffi, and Arianna Rossi, "Economic and social upgrading in global production – A framework for analysis," Jan. 2010, manuscript.

April 9 Discussion sections

April 12 Discussion of global value chain and international trade dimensions of Global Industry Websites.

April 14 Discussion of corporate sustainability and environmental dimensions of Global Industry Website.

April 16 NO discussion sections

Global Industry Websites: completion date.

April 19 Global Industry Websites – Teams 1-3 will present in class.

April 21 Global Industry Websites – Teams 4-7 will present in class.

April 23 Discussion section. Evaluation of team projects.

Team Member and Self-Evaluations for Global Industry Websites due.

April 26 Global Industry Websites – Teams 8-11 will present in class.

April 28 Individual research papers – highlights in class.
Summing up.

Final course paper due

Last updated: April 14, 2010