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

Spring 2012
MW, 10:05-10:55 am
Friday, 10:05-10:55 am; 11:55-12:45
Old Chem 116

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 jobs and economic competitiveness website on a U.S. state of your choosing, 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 **Steven Foy** (steven.foy@duke.edu) and **Sancha Doxilly** (sld28@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, February 27th, and due back on Wednesday, February 29th. Completed exams must be typed, and a page limit will be set. The drop-off procedure for exams will be explained in class.

Team Project: Jobs and Economic Competitiveness Websites for U.S. States, Using a Value Chain Development Approach. There is a major team project required in this course. Teams comprised of 4 students will be formed, each focusing on a different U.S. state. The model for this project will be the North Carolina in the Global Economy website, http://www.soc.duke.edu/NC_GlobalEconomy/index.shtml, which uses a "value chain" framework to analyze the job creation and economic competitiveness trends in seven key industries for North Carolina. Some of these industries are in traditional manufacturing sectors (textiles & apparel, furniture), some are resource-based industries (tobacco and hog farming), and some are high tech goods and services (information technology, biotechnology, and banks & finance). Throughout the website, there is an emphasis on how globalization has affected, both positively and negatively, the

diverse industries in North Carolina, and what the challenges and opportunities are for the state to sustain and advance its economic development.

In your course project, each team will choose a specific U.S. state to carry out an analysis of three of its major industries in terms of their strengths and weaknesses with respect to job creation and economic competitiveness. Using the NC-Global Economy website as a guide, you will create value chains for each of your three industries, you will link the categories of each value chain to U.S. Bureau of Labor Statistics and enterprise-level data using sources that will be made available to you, you will create tables of the main companies operating in the state for each industry, and you will map the trade and employment trends at a county level over a 15-year period. Finally, you will make recommendations for how to improve the state-level competitiveness for your three industries. The key dimensions of your U.S. state websites will outlined in a separate memo, and illustrated in class sessions covering a variety of different topics. The key concepts and tools used in our value chain methodology are outlined in a U.S. Agency for International Development wiki on “Value Chain Development” – see http://apps.develebridge.net/amap/index.php/Value_Chain_Development.

Student groups will present highlights from their Jobs and Economic Competitiveness Websites in class, and they will be required to complete a Website Evaluation survey on a specified set of peer projects and a Self- and Team Member Evaluation survey to assess contributions within each team. The final website grade will be based on two components: one-third peer evaluation and two-thirds instructor evaluation. Individual grades may be adjusted based on participation levels in project.

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 and Michael Mandelbaum. *That Used to Be Us: How America Fell Behind in the World It Invented and How We Can Come Back*. New York: Farrar, Straus and Giroux, 2011.

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

COURSE OUTLINE AND READING LIST (Spring 2012)

- January 11 Introduction to class
- January 13 Discussion sections – Come to class with one example of how globalization favors U.S. competitiveness and one example of how it hinders U.S. competitiveness. Be prepared to discuss.

The Global Context: Crisis and Opportunity

- January 16 Martin Luther King, Jr. Day holiday
- January 18 **U.S. Perspectives on Global Business, Pre-1990**
Magaziner & Patinkin, *The Silent War*, Introduction and ch. 1.
- January 20 Discussion sections – 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.
- January 23 Magaziner & Patinkin, *The Silent War*, ch. 2;
Robert B. Reich, “Who Is Us?” (*Harvard Business Review*, January/February 1990).
- January 25 **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.
- January 27 Discussion sections

The Changing Global Economy

- January 30 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.
- February 1 Apparel: The globalization of a designer dress.
Film: Robert Reich (host), “Made in America? – Winners and Losers.”
- February 3 Discussion sections

Analyzing International Trade Data

- February 6 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>
- February 8 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.”
- February 10 Discussion sections
UN Comtrade “product” assignment – Create 3 tables that look at shifts in national, regional, or global export and import patterns for a single product over at least a 15-year time span.

Can the United States Come Back? Playing Catch Up in the Global Economy

- February 13 Thomas Friedman and Michael Mandelbaum, *That Used to Be Us*, chs. 1-7.
- February 15 Film: Thomas L. Friedman Reporting, “The other side of outsourcing.” Discovery Channel, 2003.
- February 17 Discussion sections
- February 20 Friedman and Mandelbaum, *That Used to Be Us*, chs. 8-13.
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>
- February 22 **Guest lecture: Steven Foy**, Ph.D. candidate, Sociology Dept., Duke University, “Decision rules for offshoring and outsourcing, and their implications for U.S. manufacturing.”
Friedman and Mandelbaum, *That Used to Be Us*, chs. 14-16.
Thomas Friedman, “Who’s sleeping now?” *New York Times*, Jan. 10, 2010.
- February 24 Discussion sections
- February 27 Question & Answer, and review session.
[Hand out **take-home mid-term exam** at the end of class.]
- February 29 **Mid-Term exam due:** Returned to Rm. 268 Soc/Psych Bldg. (or electronically).
There will be no class held on this date.
- March 2 Discussion section film: Robert Reich (host), “Made in America? Who’s the Enemy?”
- March 5-9 **SPRING RECESS**

- March 12 **Team Project – Jobs and Economic Competitiveness Websites for U.S. States**
Introduction to team projects (with memo from instructor).
- March 14 **Globalization and Economic Competitiveness**
Presentation on Duke’s library and web resources for research on global industries (Carson Holloway, Perkins Library). For a link Perkins’ resource guide, see <http://library.duke.edu/research/subject/guides/globalization/index.html>.
- March 16 Discussion sections: Teams will discuss internal management protocols and timelines for their projects

Submit team list of proposed industries or products (provide at least 3 ranked choices)
- March 19 Review of team progress on Steps #1 and #2 of group project memo (highlighting the biggest economic changes between 2000 and 2010, and selecting 3 industries as the focus for a state-level job creation strategy).

How Wal-Mart Shapes Global Industries

- March 21 **Wal-Mart, the world’s most powerful retailer: Is its new corporate sustainability initiative for real?**

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 23 Discussion sections

Submit 2-page team outline for Jobs and Economic Competitiveness project.
- March 26 **WordPress training session** -- OIT Training, Duke University.

Review Duke WordPress training guide in Course Information section of Blackboard. At least one student from each team should bring laptops to class.
- March 28 Discussion about the construction of value chain diagrams, top firms tables, and job maps for the team project.
- March 30 Discussion sections.

Submit 1-page proposal for final course paper.

The New iPhone Economy – Changing U.S. and Global Labor Markets

- April 2 Charles Duhigg and Keith Bradsher, “How the U.S. lost out on iPhone work.” *New York Times*, Jan. 22, 2012.

Charles Duhigg and David Barboza, “In China, human costs are built into an iPad.” *New York Times*, Jan. 26, 2012.

Michael E. Porter and Jan W. Rivkin, “Choosing the United States.” *Harvard Business Review*, March 2012, pp.80-93.

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, pp. 94-103.

April 4 **Guest lecture: Sancha Doxilly**, Ph.D. candidate, Sociology Dept., Duke University, "The Migration Side of Outsourcing and U.S. Competitiveness."

April 6 Discussion sections

Emerging Economies and Workforce Development

April 9 Review of state-level public policies and job creation plan related to U.S. State Competitiveness team project.

April 11 **The emerging global labor market**

The Economist, "Where America's jobs went," March 25, 2011.

Stephanie Barrientos, Gary Gereffi, and Arianna Rossi, "Economic and social upgrading in global production networks: A new paradigm for a changing world." *International Labour Review* 150, 3-4 (December): 319-340.

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

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

April 13 NO discussion sections

Jobs and Economic Competitiveness Websites: completion date.

April 16 Jobs and Economic Competitiveness Websites – Teams 1-5 will present in class.

April 18 Jobs and Economic Competitiveness Websites – Teams 6-10 will present in class.

April 20 Discussion sections: Evaluation of team projects.

Online Peer and Team Member / Self Evaluations for Global Industry Websites due.

April 23 Jobs and Economic Competitiveness Websites – Teams 11-15 will present in class.

April 25 Individual research papers – highlights in class.
Summing up.

Final course paper due

Last revised: May 12, 2012