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Fall 2010
Monday, 2:50-5:20 pm
329 Sociology/Psych. Bldg.

Globalization and Development

Sociology 222S

Globalization is one of the defining features of the contemporary world, but there is considerable controversy regarding its nature, impact, and future trends. This course will seek to integrate debates about globalization and development at the onset of the 21st century. Our approach will be to study globalization through the lens of diverse global industries as well as global regions. We will address comparative development issues by looking at the range of institutional factors that affect how nations in various parts of the world rise or fall in the global economy, and how national development issues are profoundly shaped by powerful international organizations (like the World Bank, the World Trade Organization, and the International Labor Organization), transnational corporations, and technological change. We will critically examine the meaning of development, the impact of globalization on the quality of life, and the interplay between the strategies of global, national, and local actors.

Three distinct perspectives will be developed in this course. The first is understanding how the global economy is organized and how it changes over time. We will analyze competing conceptions of globalization, with an emphasis on the global value chains (GVC) framework. The second perspective is analyzing how countries move up (or down) in the global economy. This has been a central concern for development theory over the years, but many of the core propositions and even units of analysis of traditional development models have been questioned in the era of globalization. We will examine these issues in the light of recent research on industrial upgrading and regional integration. A third set of issues focuses on sustainable development. We will look in particular at efforts by companies, countries, and diverse social actors to combine social and environmental sustainability with economic growth, and you will evaluate the degree to which these efforts have been (or could be) successful.

Course Requirements

Good research on globalization and development requires students to be aware of relevant theoretical debates, to develop a familiarity with comparative and historical case materials, and also to utilize a range of primary and secondary data sources. There will be a premium in your papers, as well as in our class discussions, on integrating theory and research, a clear specification of main arguments, the use and analysis of appropriate tables and charts, and concise, persuasive writing.

There will be two related research papers required for this course, along with periodic memos related to the readings. Your two research papers will each count for 35% of your course grade, your individual memos on the readings and other short assignments will count for 15%, and class participation for the remaining 15%.

Globalization and National Development: How One Country Is Inserted in the Global Economy.

Understanding how individual economies are linked to the global economy is a central dimension of this course. This involves utilizing both a “top-down” perspective, which 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. Therefore, your first research paper will examine the experience of a specific country from 1990 to 2010 to analyze three main industries that link

your country to the global economy. You will use international trade and employment data, as well as other appropriate statistics and secondary materials, to map the global value chains associated with these three industries, using methodologies we will review in the course readings. This paper will be 12-15 pages in length, plus tables.

Economic and Social Upgrading paper: Your second paper for the course should deal with the issues of economic and social upgrading in these three industries, again using concepts and methods we will be exploring in the course. This paper will be 15 pages in length, double spaced, plus references and tables.

For each of these two papers, I will ask you to submit an outline of your topics early in the semester. The international trade paper will be due on Monday, Oct. 18th, and the upgrading paper will be due on Friday, Dec. 3rd, although we will discuss these papers the last day of class, which is Monday, Nov. 29th.

CourseInfo and Readings

Most of the materials related to this course are available through Blackboard <<https://courses.duke.edu/>>. All students in Soc. 222S will be expected to log on to 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 regularly for messages from the instructor or fellow students.

The following books will be read for the course. Three of these are available at the Duke University Bookstore:

Jennifer Bair (ed.). *Frontiers of Commodity Chain Research*. Palo Alto, CA: Stanford University Press, 2009.

Peter Dicken. *Global Shift: Mapping the Changing Contours of the World Economy*, 5th edition. New York: Guilford Press, 2007.

Philip McMichael. *Development and Social Change: A Global Perspective*, 4th edition. Thousand Oaks, CA: Pine Forge Press, 2008.

In addition, we will be using two books that are available online:

Olivier Cattaneo, Gary Gereffi, and Cornelia Staritz (eds.). *Global Value Chains in a Postcrisis World: A Development Perspective*. Washington, DC: The World Bank, September 2010.

Making Value Chains Work Better for the Poor: A Toolbook for Practitioners of Value Chain Analysis. A publication financed by the UK Department for International Development (DFID), December 2008. Electronic access: <http://valuechains4poor.pbworks.com/f/V4P+Toolbook+v3+Final+-+lowres.pdf>

The articles assigned for the course are all available in the Course Documents section of Blackboard. The course syllabus, which will be updated periodically, is in the Course Information section of Blackboard.

COURSE OUTLINE AND READING LIST

August 30 **Introduction to the Course**

Ask students what they think about “globalization.” What does it mean? Who are the winners and losers? How has the current economic crisis affected globalization, and the U.S. role in the global economy? What are the prospects for “sustainable development” in advanced and developing economies? How can economic, social and environmental sustainability be combined?

Sept. 6 **The Development Debate**

Philip McMichael, *Development and Social Change*, 4th ed. (2008), Chs. 1-5.

Peter Dicken, *Global Shift*, 5th ed. (2007), Chs. 1-2.

Sept. 13 **Diverse Conceptions of the Global Economy**

Gary Gereffi, “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, 2005.

Ajay Goel, Nazgol Moussavi, and Vats N. Srivatsan, “Time to rethink offshoring?” *The McKinsey Quarterly*, September 2008.

Raphael Kaplinsky and Masuma Farooki, “What are the implications for global value chains when the market shifts from the North to the South?” World Bank, Policy Research Working Paper 5205, February 2010.

Raphael Kaplinsky, Anne Terbeggen, and Julia Tujaja, “What happens when the market shifts to China?” World Bank, Policy Research Working Paper 5206, February 2010.

Recommended: Jeffrey Henderson, Peter Dicken, Martin Hess, Neil Coe and Hentry Wai-Chung Yeung, “Global production networks and the analysis of economic development.” *Review of International Political Economy* 9, 3 (2002): 436-464.

MEMO on readings.

Sept. 20 **Using International Trade Data to Track the Growth of Global Industries**

Training Session (Social Science Research Institute, computer lab, Bay B, Erwin Mill, 2024 W. Main Street, Durham). Instructor: Gary Thompson, SSRI.

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

International trade assignment – Select an economy that you would like to work on in this class. Identify three major export industries that link this country to the global economy, and analyze trends in global export patterns from 1990 to 2009. Additional details on the kinds of tables and summary text analysis you need to submit in class on Monday, Sept. 27 will be supplied by the instructor before this assignment. You may use the following links to get information on international trade product categories used in UN Comtrade:

SITC (Standard International Trade Classification) codes: 1, 2, 3, 4, & 5 digits:

<http://www.census.gov/foreign-trade/reference/codes/sitc/sitc.txt>

United Nations Statistics Division, detailed structure and explanatory notes, SITC, Rev 3:
<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=14>

HTS, SITC, and NAICS description lookup:
<http://reportweb.usitc.gov/commodities/naicsitsitc.html>

You can get good examples of how to map and analyze value chains from the various chapters in Cattaneo, Gereffi, and Staritz (eds.), *Global Value Chains in a Postcrisis World: A Development Perspective* (The World Bank, September 2010).

Also recommended: Peter Dicken, *Global Shift*, 5th ed. (2007), Chs. 9-12.

Sept. 27 *Making Value Chains Work Better for the Poor: A Toolkit for Practitioners* (2008), Parts 1 and 2 (pp. 1-44).

Submit and discuss in class your country export trade tables from the UN Comtrade assignment of Sept. 20th.

Oct. 4 **Economic and Social Upgrading**

Stephanie Barrientos, Gary Gereffi, and Arianna Rossi, "Economic and social upgrading in global production networks: Developing a framework for analysis." *Capturing the Gains Working Paper 2010/03*, July 2010. Electronic access:
<http://www.capturingthegains.org/publications/workingpapers/>

Stefano Ponte and Joachim Ewert, "Which way is 'up' in upgrading? Trajectories of change in the value chain for South African wine." *World Development* 37, 10 (2009): 1637-1650.

Elisa Giuliani, Carlo Pietrobelli, and Roberta Rabellotti, "Upgrading in global value chains: Lessons from Latin American clusters." *World Development* 33, 4 (2005): 549-573.

Recommended: Gary Gereffi, "Export-oriented growth and industrial upgrading: Lessons from the Mexican apparel case." Jan. 31, 2005. (Summary and extension of Torreón, Mexico case study by Jennifer Bair and Gary Gereffi in *World Development*, Sept. 2001.)

Oct. 11 [Fall Break]

Oct. 18 **Value Chain Governance**

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

Stacey Frederick and Gary Gereffi, "Value chain governance." USAID Briefing Paper (2009). Electronic access:
http://www.microlinks.org/ev.php?ID=35948_201&ID2=DO_TOPIC

First paper: DUE in class.

Oct. 25

Private and Public Governance

Guest lecturer: Frederick Mayer, Sanford School of Public Policy, Duke University.

Frederick Mayer and Gary Gereffi, "Economic globalization and private governance: Limits and prospects." Forthcoming in special issue of *Business and Politics*, "Private Regulation in the Global Economy," Fall 2010.

Gary Gereffi and Frederick Mayer, "The demand for global governance." Sanford School of Public Policy, Working Paper Series SAN04-02, Sept. 2004.

MEMO: Take any two of the hypotheses listed in the *Business and Politics* article, and identify recent case materials that either support or refute these hypotheses. Provide a brief summary and documentation for the cases you chose, and discuss how they relate to the hypotheses you have selected.

Nov. 1

Actors and Structures: Transnational Corporations, International Production Networks, and Value Chains

Jennifer Bair, *Frontiers of Commodity Chain Research* (2009), Chs. 1-2 and 5-7.

Making Value Chains Work Better for the Poor: A Toolbook for Practitioners (2008), Part 3 (pp. 47-88).

Peter Dicken, *Global Shift*, 5th ed. (2007), Chs. 3-6.

Recommended: Jennifer Bair, "Global capitalism and commodity chains: Looking back, going forward." *Competition & Change* 9, 2 (2005): 153-180.

Nov. 8

Global Value Chains and the Current Economic Recession

Cattaneo, Gereffi and Staritz (eds.), *Global Value Chains in a Postcrisis World: A Development Perspective* (2010).

MEMO for class: Compare three chapters in this book in terms of their hypotheses, findings and policy relevance for developing economies.

Nov. 15

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

Guest lecturer: Jay Golden, Director, Corporate Sustainability Initiatives, Nicholas School for Environmental Policy Solutions, Duke University.

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/>

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.

Nov. 22

How NGOs, Multinational Corporations, and Governments Use Global Value Chain Analysis to Promote Development and Competitiveness

Jennifer Bair, *Frontiers of Commodity Chain Research* (2009), Chs. 8-9.

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/>

"The Power of Value Chains: Including the Rural Poor in Global Markets." *The Broker*, Issue 16, Nov. 2009, pp. 13-20. (The Broker is published in The Netherlands.) Electronic access: www.thebrokeronline.eu

Mapping Sustainable Production in Ghanaian Cocoa. Report to Cadbury by the Institute of Development Studies and the University of Ghana, 2008.

Recommended:

Jason Clay, "Exploring the links between international business and poverty reduction: A case study of Unilever in Indonesia." An Oxfam GB, Novib Oxfam Netherlands, and Unilever joint research project, 2005.

Nov. 29

Discussion of Individual Research Papers – summaries in class.

Due date for final paper: **Friday, Dec. 3rd**.

Last updated: Aug. 31, 2010