

Professor Gary Gereffi
264 Sociology/Psychology Building
Tel. 660-5611 or 660-5614
Office hours: By appointment.

Fall 2012
Tuesday, 4:40-7:10 pm
329 Sociology/Psych. Bldg.

Globalization and Development

Sociology 730S-03

Globalization is one of the defining features of the contemporary world, but there is considerable controversy regarding its nature, impact, and future prospects. This course will seek to integrate debates about globalization and development at the onset of the 21st century. We will study globalization through the lens of diverse global industries and global regions. We will look 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.

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 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 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 work on globalization and development requires researchers 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.

Three research papers are required for this course, along with occasional memos related to the readings. The first paper will deal with the development paradigms being used in specific international organizations; the second paper will focus on mapping global trade networks for a particular global industry; and your third paper will analyze upgrading and development policies in a country of your choice. The three research papers will each count for one-third of your course grade, and class participation for the remaining 10%.

International Organization paper: United Nations organizations, multilateral and bilateral donors, large non-governmental organizations (NGOs), and multinational consulting firms all play major roles in financing and defining development paradigms related to globalization. Increasingly, the global value chains (GVC) framework has become a core paradigm in many of these organizations because it links production and trade activities that bridge the global, regional, national and local levels of analysis, with a focus on the factors that generate upgrading opportunities. Your paper will highlight the role played by

GVC analysis in a specific international organization or agency to shape its research and policy agenda. Choose a particular international organization, and describe how the GVC framework (or a closely approach, like USAID's Value Chain Development) is being utilized there, and contrast its strengths and limits with what was previously used as a development paradigm. This paper will be 8-10 pages in length. (The format for this and other papers in the course: 1.5 line spacing, 11 or 12 point font, and one-inch margins.)

Organizations that you can examine include (but are not limited to) the following: *UN and multilateral organizations* – World Bank, Inter-American Development Bank (IADB), World Trade Organization (WTO), International Labor Organization (ILO), UN Conference on Trade and Development (UNCTAD), UN Industrial Development Organization (UNIDO), and the Organization for Economic Cooperation and Development(OECD); *bilateral aid agencies* – US Agency for International Development (USAID), UK's Department for International Development (DFID), GTZ (German Society for Technical Cooperation, now called GIZ), Danish International Development Agency (DANIDA), Industry Canada; *NGOs* – Oxfam International, Oxfam America, Environmental Defense Fund (EDF); and *international development consulting firms* – RTI International, DAI, ACDI-VOCA, McKinsey, Deloitte, Morgan-Stanley, and World Economic Forum.

Global Industry paper: For this paper, you will select a product and track the shifting import and export patterns in this industry over the last 10-15 years. You will use the UN Comtrade international trade database for this analysis (training will be provided in the course), and you can model the paper along the lines of the industry chapters in Peter Dicken, *Global Shift* (2011), which we are reading for this course. You will describe the main country-level shifts in global trade networks, and explain these global industry shifts. This paper will be 10-12 pages in length, including text, tables and charts.

Country Development paper: Understanding how countries 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. This research paper will examine the experience of a specific developing country from the mid-1990s to the present in terms of its efforts to promote economic, social and/or environmental upgrading. You should use the concepts and methods from this course, together with the library resources identified in the Globalization and Economic Competitiveness resource guide posted in the External Links section of Blackboard. This paper will be 12-15 double-spaced pages in length, including tables and charts.

For each of these papers, I will ask you to submit an outline of your topics early in the semester, in part to avoid duplication of topics by students. The international organizations paper will be due on Tuesday, Oct. 9th, the global industry paper on Nov. 6th, and the country development paper will be in class on Sunday, Nov. 25th (note special meeting day) and due on Friday, Dec. 7th.

Course Info and Readings

Most of the materials related to this course are available through Sakai <<https://sakai.duke.edu/>>. All students in Soc. 222S will be expected to log on to Sakai 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*, 6th edition. New York: Guilford Press, 2011.

Philip McMichael. *Development and Social Change: A Global Perspective*, 5th edition. Thousand Oaks, CA: Pine Forge Press, 2012.

In addition, we will be referring to a special issue of a journal that is available online:

Cornelia Staritz, Gary Gereffi, and Olivier Cattaneo, (eds.) Special issue on “Shifting End Markets and Upgrading Prospects in Global Value Chains,” [*International Journal of Technological Learning, Innovation and Development*](#) (IJTLID), Vol. 4, Issues 1/2/3, 2011.

The articles assigned for the course will be available in the Resources section of Sakai, or you can use hyperlinks from the syllabus to access pdf files of these. The course syllabus, which will be updated periodically, is also posted in Sakai.

COURSE OUTLINE AND READING LIST

August 28 Introduction to the Course

Welcome to course. Summary overview of main development approaches: 1970s – modernization, dependency and world-system theories; 1980s – ISI and EOI development strategies (import-substituting and export-oriented industrialization); 1990s and early 2000s – global commodity chains and global value chains; mid-2000s to early 2010’s – global economic crisis and restructuring, and major inflection point for development paradigms.

Sept. 4 The Development Debate

Philip McMichael, *Development and Social Change*, 5th ed. (2012), Chs. 1-6.

Peter Dicken, *Global Shift*, 6th ed. (2011), Chs. 1-2.

Sept. 11 Diverse Conceptions of the Global Economy

Peter Dicken, *Global Shift*, 6th ed. (2011), Ch. 3-5.

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.

Gary Gereffi and Joonkoo Lee. [“Why the world suddenly cares about global supply chains”](#). *Journal of Supply Chain Management* 48, 3 (July 2012): 24-32.

Sept. 18 Actors and Structures: Transnational Corporations, Commodity Chains, and Value Chains

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

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

Peter Dicken, *Global Shift*, 6th ed. (2011), Chs. 9-10.

Recommended: Joonkoo Lee, "Global commodity chains and global value chains." Pp. 2987-3006 in Robert A. Denemark (ed.), *The International Studies Encyclopedia*. Oxford: Wiley-Blackwell, 2010.

Stacey Frederick and Gary Gereffi, "Value chain governance." [USAID Briefing Paper](#) (2009).

Sept. 25

Use of Value Chain Analysis in International Organizations

OECD, "Global value chains: Preliminary evidence and policy issues." Report prepared for Directorate for Science, Technology and Industry, CIIE (Committee on Industry, Innovation and Entrepreneurship) meeting, March 31-April 1, 2011. March 4, 2011.

UNIDO, *Diagnostics for Industrial Value Chain Development: An Integrated Tool*. Vienna: UNIDO, 2011.

Gary Gereffi, "Global value chains in a post-Washington Consensus world: Shifting governance structures, geographies and development strategies." Manuscript, July 1, 2012.

Philip McMichael, *Development and Social Change*, 5th ed. (2012), Chs.8-10.

Recommended: Stamm, Andreas, and Christian von Drachenfels. "[Value chain development: Approaches and activities by seven UN agencies and opportunities for interagency cooperation.](#)" Geneva: International Labor Organization, 2011.

Memo (2 pages): Briefly describe the international organization you have chosen for your first paper, indicating when it began using global value chain analysis, and list several reasons why you think the GVC framework has been used, given the main clientele your organization serves. Identify 2-3 relevant studies or reports by this organization that you will review in your paper. (See fuller description of this memo on the Sakai course website.)

Oct. 2

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 UN Comtrade database user's guide at <http://library.duke.edu/research/help/databases/guides/uncomtrade/index.html>]

International trade assignment – Select a product that will be a focal point for your international industry paper so that you can use this training session to help create tables on the main global exporting countries for that product. A memo outlining the kinds of tables you should create based on UN Comtrade data is posted in Sakai.

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>

HS, 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 industry chapters in Peter Dicken, *Global Shift*, 6th ed. (2011).

Oct. 9 **Guest lecturer: Michelle Christian, Ph.D., Sociology Department, Duke University.**
“The global tourism value chain.”

Michelle will discuss her pioneering work in developing a global value chains framework for the tourism industry, first for her doctoral dissertation on Costa Rica, and subsequently involving research in Kenya and Uganda as part of the 3-year, international project on “Capturing the Gains: Economic and Social Upgrading in Global Production Networks” (see <http://www.capturingthegains.org/>). Michelle has also extended her research to work on tourism to an analysis of gender issues for the World Bank, and to labor issues for the International Labor Organization.

DUE by Friday, Oct. 12th at 3 pm (268 Soc/Psych Bldg): International Organizations and GVC paper.

Oct. 16 Fall Break

Oct. 23 **Economic and Social Upgrading**

Stephanie Barrientos, Gary Gereffi, and Arianna Rossi, [“Economic and social upgrading in global production networks: A new paradigm for a changing world”](#). *International Labor Review*, Vol. 150, Nos. 2-3, 2011.

Thomas Farole, [“Special Economic Zones: What have we learned?”](#) World Bank, *Economic Premise*, No. 64, Sept. 2011.

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: 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.

International trade assignment: Bring to class the 3-5 tables and brief explanations related to your UN Comtrade training session on Oct. 2nd. These materials will be integrated into your International Industry paper, due on Nov. 6th.

Oct. 30 **Guest lecturers: Andrew Guinn (UNC-Chapel Hill) and Penny Bamber (Duke CGGC).**
“Global value chains and upgrading trajectories in advanced manufacturing in Brazil and Costa Rica.”

Andrew and Penny have been carrying out related research projects on Brazil and Costa Rica, respectively, with Duke’s Center on Globalization, Governance & Competitiveness

(www.cggc.duke.edu) on global value chains in three manufacturing sectors: medical devices, electronics, and aeronautics. This research highlights the differences in what large and small economies can achieve through upgrading efforts in the same GVCs.

Nov. 6

China and East Asia – A New Regional Division of Labor?

Jeffrey Henderson and Khalid Nadvi, “Greater China, the Challenges of Global Production Networks and the Dynamics of Transformation.” *Global Networks* 11, 3 (2011): 285-297.

Gary Gereffi, “Development Models and Industrial Upgrading in China and Mexico.” *European Sociological Review* 25, 1 (2009): 37-51.

David Barboza, “[China’s industrial ambitions soar to high-tech.](#)” *New York Times*, Aug. 1, 2008.

Yuqing Xing and Neal Detert, “How the iPhone Widens the United States Trade Deficit with the People’s Republic of China.” Asian Development Bank Institute (ADB), Working Paper No. 257, Dec. 2010.

Andrew Batson, “Not really ‘made in China’: The iPhone’s complex supply chain highlights problems with trade statistics.” *Wall Street Journal*, Dec. 15, 2010.

DUE: Global Industry paper.

Nov. 13

Guest lecturers: Ghada Ahmed, Ajmal Abdulsamad, and Drew Haerer

“A global value chain analysis of food security and food staples for major energy-exporting nations in the Middle East and North Africa.”

These researchers from Duke CGGC (Ghada and Ajmal) and Duke’s Nicholas School of the Environment (Drew) will report on a project being funded by the U.S. Department of Defense’s prestigious Minerva project for the social sciences. Duke University won one of 10 Minerva Research Initiative 3-year grants awarded in 2012 (see <http://minerva.dtic.mil/funded.html>), and you will learn about the design and methodology to be employed in this project.

Nov. 20

Shifting End Markets and Upgrading Prospects in Global Value Chains

Cornelia Staritz, Gary Gereffi, and Olivier Cattaneo, (eds.) Special issue on “Shifting End Markets and Upgrading Prospects in Global Value Chains.” *International Journal of Technological Learning, Innovation and Development* (IJTLID), Vol. 4, Issues 1/2/3, 2011.

Brief memo: Choose two of the articles in the special issue of IJTLID assigned for this class that you will read closely, and compare their main conclusions about shifting end markets and upgrading prospects in a succinct 1- to 2-page memo. I will collect your memos after class.

Nov. 25

(Sunday)

Discussion of Country Research Papers – highlights in class.

Note this class will meet on a special day and time, to be arranged by the instructor with the class.

Final paper: due on Friday, Dec. 7th.

Last updated: Sept. 17, 2012