Global Value Chains or Global Poverty Chains? A new research agenda

Benjamin Selwyn

Working Paper No. 10
June 2016

CENTRE FOR GLOBAL POLITICAL ECONOMY

University of Sussex
Brighton
BN1 9SN
United Kingdom
Telephone: +44 (0) 1273 872735
Fax: +44 (0) 1273 723 673563
E-Mail: cgpe@sussex.ac.uk
Website: www.sussex.ac.uk/cgpe

CGPE WORKING PAPER SERIES

The Series aims to publish innovative research that attempts to shed light on and advance our understanding of the forces that influence the production, reproduction and change of our social universe, and thus our multiple ways of being and becoming in the international. To meet this aim the Series will try to foster the inter- and multidisciplinary study of International Political Economy by bringing together scholars, ideas, issues, methods, methodologies, problematiques from different social science disciplines.

INFORMATION FOR SUBMISSION

Papers should be submitted to the series editor Julian Germann <j.germann@sussex.ac.uk>. All papers will be refereed by CGPE staff or external referees. Changes may be required before publication. The copyright remains with the author(s). Submission specifications: 1. Papers should not exceed 12,000 words. Shorter policy oriented papers of up to 5,000 are also welcomed. 2. A cover page should be included with the title, abstract and author name(s), as well as postal address, telephone and e-mail information. 3. A biographical note of the author(s) should be attached as a separate file. 4. Both the Chicago and Harvard referencing styles are acceptable.

Global Value Chains or Global Poverty Chains? A new research agenda

Benjamin Selwyn is Senior Lecturer in International Relations and International Development in the School of Global Studies, University of Sussex. He is the Director of the Centre for Global Political Economy and author of Workers, State and Development in Brazil (2012) and The Global Development Crisis (2014).

GLOBAL VALUE CHAINS OR GLOBAL POVERTY CHAINS? A NEW RESEARCH AGENDA

BENJAMIN SELWYN[1]

Abstract

Global Value Chain (GVC) analysis is part and parcel of mainstream development discourse and policy. Supplier firms are encouraged, ith

/ INTRODUCTION

%his article argues for a fundamental reformulation of the Global Value Chain (GVC) concept to better comprehend global dynamics of ealth concentration, and the (re)production of poverty and ine'uality. (t argues that GVC analysis is ill#placed to investigate, analyse and theorise ho global value chains contribute to generating these polarising trends, and that the concept of Global)overty Chains (G)Cs) represents a better starting point.

Contemporary global capitalism is characterised by e&treme ine'ualities in ealth and poverty (,d ard and Sumner1 0213). 4or e&ample, the ealth of the orld$s richest 50 people, ho bet een them o n more than half of the orld$s population, rose by 667 bet een 0212 and 0213. 8ver the same period the ealth of the bottom 327 of humanity fell by appro&imately 9:7 (8&fam1 0215). (n 0212 the (nternational *abour 8rganisation ((*8) calculated that there ere appro&imately ;60 million or"ing poor (almost 1 in 9 or"ers globally living on under -S<0 a day) ((*8=>(*? 0211).

%he (*8 calculates poverty using the @orld .an"$s international poverty lines of -S<1 and <0 a day)urchasing)o er)arity A here <1 a day represents !e&treme poverty$ and <0 a day Bust !poverty$ (Chen and Cavallion 0226).)eople ho live above these poverty lines are held to be not poor. +avid @ood ard (0213) suggests a slightly higher global poverty line, of -S<3))) a day. (f adopted, the (*8 ould have to concede that the maBority of the orld$s labouring class lives in poverty (see also D,41 0212).

%he @orld .an"$s poverty line reflect the international e'uivalent of hat -S<1 or -S<0 could have purchased in 1;:3 in the -nited States. +espite their regular updating, as Ceddy and)ogge and others have pointed out, these

0

Comparatively little GVC literature, by contrast, sets out to investigate ho global value chains contribute to the (re)production of orld poverty and

%he conception of Global)overty Chains advanced here does not, ho ever, argue for a straight return to @S%$s prime concern (global ine'uality), nor does it discount the possibilities, as @allerstein and Arrighi did, of !national development$. Cather, it holds that national capitalist provides an account of the global business revolution and its basis in and contribution to global age differentiation. Section four dra s upon Don# Governmental 8rganisation, media and civil#society research and secondary academic literature, to illustrate poverty#inducing dynamics associated ith employment ithin GVCs. Section five concludes the article by identifying avenues for further Global)overty Chain#orientated research.

4 CARLL(R)84 5 7(3).1-4681 04 (V)-1.99181 (Y)-1.40721 (R)1 5 .276 ( )LETsL

Ry40

Why Globalisation Works, ?artin @olf (0223, 1:9) argues that !0(tE is right to say that transnational companies e&ploit their Chinese or"ers in the hope of ma"ing profits. (t is e'ually right to say that Chinese or"ers are e&ploiting transnationals in the (almost universally fulfilled) hope of obtaining higher pay, better training and more opportunities$.

So, ho can freely#entered into contractual relations co#e&ist ith, or be based upon, e&ploitative relationsP

2.1 Capital-Labour Relations and I iseratin! "ro#t$

4irms$ survival in capitalist mar"ets is dependent upon their ability to match or sustain sector# ide profitability. (f they cannot d by its ea"ness in identifying and=or theorising competitive capital#labour dynamics. 4or this reason the approach has been characterised as suffering from 15·G0-1.99233(o46-167..55336(r)-1.(f)-2.69124.610696(n)3.21(n)3.7289(g)8.

more difficult for the latter to reduce ages and conditions to socially unacceptable levels. **8**n the other hand, here a permissive and supportive environment e&ists, firms can attempt to raise their profitability through imposing the orst **"**inds of labour practices upon their labour forces. **(**t ill be argued belo that the globalisation **!**pro8ect$ has b

%he transport, logistics and information technology revolutions enabled simultaneous global dispersal and ever#closer functional firm integration. @ithin the contemporary global manufacturing system, southern countries produce a voluminous range of industrial inputs and outputs, including fabricated metal goods, electronics e'uipment, chemicals, transport e'uipment, furniture, a hole range of te&tiles, in addition to agricultural products and e&tractive materials (-D(+81 0211).

%he global manufacturing structure of orld trade is increasingly intra# firm, bet een affiliates of the same corporation located in different countries. %he 8,C+ estimates that around one third of orld trade is intra#firm (*anL and ?iroudout1 0211). %he percentage of orld trade that occurs bet een nominally independent supplier firms and lead firms is often higher1 $;2 percent of -S e&ports and imports flo through a -S %DC, ith roughly 32 percent of -S trade flo s occurring bet een affiliates of the same %DC$ (+ic"en1 0211, 02#01).

%DCs derive an increasing share of their profits from overseas activities. 4oreign affiliates accounted for appro&imately 1I percent of -S %DCs$ orld ide net income in 1;II, 0I7 in 1;;6 and 6:.57 by 0225 (Slaughter1 022;, 15). Cates of return on foreign investment have been !consistently higher in developing countries (3.:7) than in developed (6.67) and C,, 0Central and ,astern ,uropeanE countries (9.;7) since the beginning of the 1;;2s$. (-DC%A+1 0229, 1I).

*eading proponents of the GVC approach e&plain lead firm chain !governance$ from the perspective of transaction cost economics (%AC,) (Gereffi, Gumphrey and Sp89.658(G)(e).58677(e)1502(7()-192.965(t)1.43853(h)3(

assimilate or see" to organise=coordinate economic activities in order to reduce these costs. 4rom the %AC, perspective such assimilation increases productive and allocative efficiency (Varman1 0210).

Cemar"ably, Gereffi, Gumphrey and Sturgeon (0223) do not consider lead firm profit#ma&imisation and=or value appropriation strategies as determinants of global value chain governance patterns. +iscursively, their formulation represent a mutually#beneficial (in# in) firm#centrism here capital#labour relations are absent and here lead firm actions are interpreted as contributing to enhanced chain# ide efficiency. %he effect of the %AC, application to GVC analysis is to naturalise and Bustify %DCs e&istence and their governance practices.

-S %DC$s occupy the pinnacle of (and through chain governance, actively contribute to the management of) the global ealth#poverty hierarchy. As Sean Starrs documents1

> American companies have the leading profit#shares among the orld$s top 0,222 firms in eighteen of t enty#five sectors, and a dominant position in ten A especially those at the technological frontier. (n a reflection of this global hegemony, t o fifths of the orld$s millionaire households are American$ (Starrs1 0216, ;3).

%he global business revolution is a vehicle for lead firms to see" to enhance their global positions and strategies for e&tended capital#accumulation and profit ma&imisation in relation to supplier firms, ould#be competitor firms, and labouring classes.

73/ The G"o+!" B(s &ess Re9o"(, o&

*ead firms !govern$ global supply chains by establishing and imposing a range of re'uirements upon supplier firms A including product specifications, production conditions, delivery times, and most significantly, price. *ead firms have concentrated increasingly upon their !core competencies$ A areas here they possess or can establish a competitive advanta supplier firms. %hey are therefore able to ensure that 0theyE obtain the lion$s share of the profits from the transactions bet een the t o sets of firms$ (**D**olan, **0229**, **9**1**IA9**1**:**).

As part of the process of centralising their economic po er Strange and **D**e ton (**0225**, 1**:6**) suggest that **!**monopsonistic$ buyer0sE 0canE **M**push do n the prices of supplies to marginal cost and thus e&tract the full profits from the

average salary). (t sho s that ?e&ico and (ndia have higher productivity rates than the -S and Germany in autos, and that .raLil, %hailand and ?e&ico have higher productivity rates than the -S and Germany in te&tiles (>ers ell1 0219). %he implications are that barriers to enhancing or"ers$ ages and conditions are not lo productivity, but (supplier and lead) firm profit ma&imisation strategies.[I]

T!+"e 73/: Co(&,ry R!&; &: < Prod(=, 9 ,y *A(,o%o+ "es !&d Te-, "es2

A(,o%o+ "es				
Co(&,ry	Sear	Value Added per @or"er (annual -S<)	@ages per @or"er (annual -S<)	Average)roductivity (-S<) <Value Added=<@ages
?e&ico	0222	120,222	11,I22	:.5;
(ndia	0229	00,:1I	6,3I3	6.;;
-S	0220	091,I0;	36,13I	6.0:
%hailand	0222	19,333	6,5:2	0.:3
Germany	0229	:;,11I	35,603	1.3:
Te-, "es				
.raLil	0226	10,939	9,3:6	9.63
%hailand	0222	5,3:9	0,91:	0.:6
?e&ico	0222	16,;:9	3,0;0	0.:9
-S	0220	55,6:9	0I,009	0.66
Germany	0229	69,::1	92,;I6	1.60

[I] (t is instructive to 'uote here Adam Smith$s observation about .ritish manufacturer$s self#portrayal1 !8ur merchants fre'uently complain of the high ages of .ritish labour as the cause of their manufactures being undersold in foreign mar"ets, but they are silent about the high profits of stoc". %hey complain of the e&travagant gain of other people, but they say nothing of their o n. %he high profits of .ritish stoc", ho ever, may contribute to ards raising the price of .ritish manufactures in many cases as much, and in some perhaps more, than the high ages of .ritish labour$ 0:E.K (

Source1 -D(+8 (0225), Adapted from >ers ell (0219, 319).

@hilst more research is undoubtedly needed on productivity# age relationships, it is plausible to argue that age rates reflect less in#firm productivity levels than (at least a combination of) 1) the socially#determined costs of age#labour force reproduction, 0) labour mar"et institutions, (that do or do not see" to lin" age rates to productivity) and 9) the ability of labouring class organisations to achieve !progressive$ age settlements (?oseley1 022:). @here the first variable is very lo , the second (often purposefully pro# capital), the third ea", and here firms utilise relatively advanced technologies, they can benefit from higher productivity levels than those in core economies, hich can raise their profitability through increasing value e&tracted and appropriated.

> G"o+!" Po9er,y Ch! &s: Three C!se S,(d es

%his section provides empirical e&amples of labour conditions, ages, and socially#determined reproduction costs in G)C$s in three globally#orientated industries. (n doing so it advances three core arguments. 4irst, lead firms use their oligopoly po er to capture the *ion$s share of the value created in each chain. Second, employment in these industries does not represent !the first rung on the ladder out of e&treme poverty$ (Sachs 0223, 11), but, on the contrary, generates ne forms of poverty. %hird, lead firms play a significant part in generating these poverty#inducing condition

%he follo ing three e&amples e&ist ithin a broader panoply of super# e&ploited labouring classes (or"ers hose income does not match their subsistence costs). %hese include home or"ers and circular migrants across South Asia (?eLLadri1 0216,)attenden1 0215), the !feminisation$ of poverty# paying or" (Gite and Viterna1 0223, +hital and 4eruglio1 0215), and e&panding slave and coerced labour forces ((*81 0223, ?cGrath1 0219).

>3/ Te-, "es

employed over I22,222 or"ers (e&cluding home#based or"ers) (Guman Cights @atch1 0213).

@ithin Cambodia$s garment industry the labour process is e&tremely intense, characterised by continual productivity drives. ,mployment rights are minimal. ,mployers re'uire or"ers to meet very high daily tas" targets. 4or e&ample, they must produce 1,022 !difficult design$ and 0,222 !simple design$ garments in an 11 hour shift. @or"ers are sub8ect to tight surveillance. As one testifies1

> @e cannot go to the toilet hen e ant. (f e go three times during the day it is considered too much. %hey announce it on the spea"er1 J+on$t go to the toilet. Sou cannot produce a lot and meet your targets. Sou need to se fasterK (Guman Cights @atch1 0213, 50).

@or"ing conditions are so harsh that or"ers regularly faint at or" as a conse'uence of the intensity of the labour re'uired of them and their poor or"ing conditions (Arnold1 0219, Clean Clothes Campaign1 0219). 8vertime is a necessity for most or"ers as their regular ages are insufficient to meet their daily needs (table 6.0). @hile the government limits overtime to 0 hours per day, this is not legally enforced and the economic pressures upon or"ers to e&ceed these hours are intense. ?ost or"ers in the large Cambodian te&tile factories or" bet een 9 and 3 hours overtime a day (Guman Cights @atch1 0213, 3:).

T!+"e >34 Le:!" 5 &%(% W!:e 9s L 9 &: W!:e: E!s,er& E(ro'e !&d As ! Co%'!red

E!s,er& E(ro'e * &="(d &: T(r;ey2	5 &%(% W!:e !s ! Per=e&,!:e o$ L 9 &: W!:e	As !	5 &%(% W!:e !s ! Per=e&,!:e o$ L 9 &: W!:e
Slova"ia	017	(ndia	057
-"raine	167	China	657
Comania	1;7	.angladesh	1;7
?oldova	1;7	Cambodia	017
Georgia	127	?alaysia	367
.iG	037	Sri *an"a	1;7
?acedonia	167	(ndonesia	917
.ulgaria	167		
Croatia	957		
%ur"ey	0:7		

Source1 Clean Clothes Campaign (0216, 96).

%hese dynamics have generated numerous stri"es and protests by or"ers, hich have met brutal state responses. 4or e&ample, in +ecember 0219 the *abour ?inistry announced an increase in the minimum age from <:2 to <122 per month, effective from 4ebruary 0216. @or"ers responded by holding large#scale demonstrations demanding a <152 minimum age, citing a tri#partite (government, industry and trade#union) report recommending a living age of bet een <13I and <1II. %he state$s response to or"ers$ protests as brutal1

> 8vernight on Fanuary 0 and 9, hundreds of police and gendarmes ere deployed to clear or"ers protestingM 8n the morning of Fanuary 9, the authorities sent a large force of gendarmes to seiLe control of the area, some of hom fired their assault rifles to ards the cro ds, "illing si&

people. A person beaten by gendarmes later died of his in8uries. % enty# three human rights defenders and or"ers arrested during these incidents ere later charged ith responsibility for the violence, tried and convicted, and sentenced to prison terms, despite there being no evidence against them. %heir sentences ere all suspended, but they remain at ris" of imprisonment. **D**o gendarmes ere prosecuted (**G**uman **C**ights @atch1 **02**1**3**, **62**).

(t is not only the or"forces in formerly **!**%hird @orld$ countries that suffer from dynamics of immiserating gro th. Across a number of post#socialist countries and in %ur"ey, appro&imately **9** million or"ers labour in the garment industry (table **6**.**0**).; %he main e&port mar"ets are Germany and **(**taly. **4**or appro&imately **;** million people (or"ers and dependents) these or"ers$

received by or"ers in ,ast Asia (table **6**.**0**).

increasingly southern) retailers no stoc" a vast r

T!+"e >37 D s,r +(, o& o$ V!"(e & ,he 5e"o& Ch! &

-S Shipping and retailing	I5.57
(nternational shippers	;.17
(mported (nputs	3.17
-S bro"ers	0.57
)ac"er and e&porter profits	0.37
?iscellaneous in#country services	9.37
4armer profits	2.57

Source1 Conroy et al (1;;5, 123#12I).

(n a related process, the transformation of coffee (the drin") mar"eting and consumption has been accompanied by a transformation in coffee bean production and sale. 4or e&ample, in the -> during the t o periods 1;I3 to 1;:; and 0222 to 022; coffee$s import price fell from an average of 697 to 167 of its retail price (Seudieu1 0211). 8ne study estimates that coffee cultivators receive less than 0 percent of coffee$s final retail price (8&fam1 0220). As +aviron and)onte (0223) argue, the !Coffee)arado&$ of the late 02th and early 01st Century as s"y#roc"eting prices paid by northern consumers for coffee and the falling prices received by coffee farmers. %he dynamics have contributed to the creation of impoverished labour forces around the orld.

-nder the)inochet dictatorship Chile become a mass producer of fresh fruits and vegetables, such as table grapes, and shifted from producing traditional agricultural crops to ine grapes (G ynne1 1;;;). .y 0219, its agro#

+uring the table grape sector harvest period appro&imately I22,222 (mostly omen) or"ers are employed to pic" and pac building it she still canXt come up ith the money to buy frames and glass panes for indo s. SheXs also strung electrical conduit and plugs up the concrete alls, but the government provides no electrical service. Y@e buy candles for light at night, and (orry that some craLy person might brea" in and hurt me or the "ids, because there are no streetlights either,Y she says.

+uring the si&#month or" season her family doesnXt go hungry, but they only eat meat t ice a ee" because a "ilo costs 162 pesos (about <:). ,ggs cost 52 pesos (<6) a carton, she says, Yso it ta"es half a dayXs or" Bust to buy one.Y SheXs paid by the hour, ma"ing ;22 pesos a ee", or 132=day (<;), for the normal 5#day ee".[19]

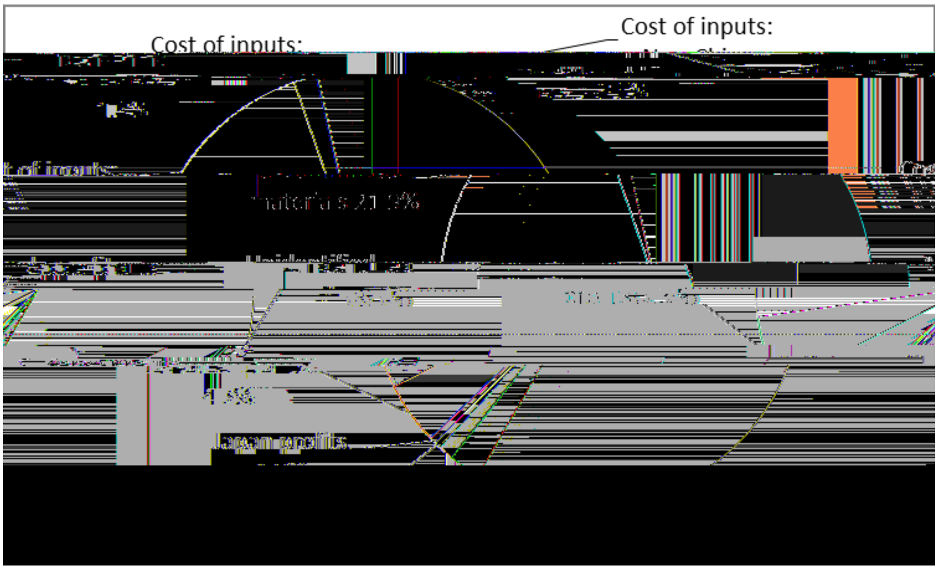
>37 H :h?Te=h

Gigh tech consumer goods, such as laptops, iphones and i)ads represent icons of contemporary global capitalism as their globally dispersed production and sale integrates or"ers, firms and consumers across the globe. (n much institutional GVC analysis it is often assumed that these industries, embodying the latest hard and soft technologies (machines and management techni'ues) and subBect to rapid innovation, generate high profits, relatively high ages and provide a sound basis upon hich to achieve economic and social upgrading.

[19] http1==davidbaconrealitychec".blogspot.com=0213=2:=the#pacific#coast#farm# or"er# rebellion.html A 0213 or"ers stri"e as partially successful. ,mployers ultimately agreed to raise ages by bet een <;.32 and <11.32 a day, guarantee overtime payments and social security benefits, grant legal recognition to a ne or"er$s union and to create a fund for or"ers$ housing.

Apple stands at the pinnacle of the high#tech chain. (t controls its supply chain tightly through outsourcing component production and assembly to different firms across the globe hich must respond 'uic"ly to its evolving design innovations. (t maintains its mar"et dominance through high investments in product innovation, use of patents to protect designs, and use of legal means (litigation) to enforce patents (%hompson1 0210). >raemer, *inden and +edric" (0211) sho ho Apple$s profit for the i)hone in 0212 constituted over 3:7 of its final sale price, hile Chinese or"er$s share as 1.:7 (figure 6.1).

8:(re >3/ D s,r +(, o& o$ V!"(e $or Pho&e *4@/@2



Source1 >raemer, *inden and +edric" (0211, 3).[16]

Apple also plays an important role in determining or"ers$ very long hours. As Christian 4uchs (0215) notes, its Supplier Responsibility $%&' #ro(ress Report states ho the company re'uires its !suppliers to achieve an average of ;3 percent compliance ith our ma&imum 52#hour ee"$ (Apple1 0216). %his is in star" contrast to the (nternational *abour 8rganisation$s Convention C292

[16])ermission to use this table received from Greg *inden by email 8D 92%G Dovember, 0213.

regime. %he)ukou system of household registration segments the labour mar"et by establishing a temporary migrant labour pool of rural or"ers, ho are classified as non#residential or"ers in urban areas, and ho e&perience lo er pay and legally inferior rights and conditions to their urban counterpart. %his !floating population$ comprises up to I27 and :27 of or"ers in the manufacturing and construction sectors respectively (Dgai and Chan1 0210, 4reidman1 0216, Clelland1 0216, 4oster and ?cChesney1 0212).

(n 0212, 4o&conn, one of Apple$s principal Asian suppliers, employed around 322,222 or"ers in its factories in ShenLhen and Chengdu. (t rose to infamy that year follo ing reports of 1: attempted suicides by or"ers, 16 of hich ere fatal (Dgai and Chan1 0210). 4o&conn employs a military#style labour#regime. At the start of the day managers as" or"ers !ho are youP$ and staff must reply !Good\ Very good\ Very, very good\$ After that they must or" in silence, monitored by managers and ith strict limits on toilet brea"s.)ay is very lo , and overtime is often the only ay that or"ers can earn enough to live on. 4ollo ing the attempted and actual suicides, and a ave of stri"es and protests, 4o&conn raised ages by up to 037 (SAC8?1 0212, ;).

4ollo ing these events, rising criticism of Apple for its suppliers$ treatment of or"ers, discovery of child labour in its supply chain, and the firms$ o n e&pansionary obBectives, the %DC contracted an another supplier A)egatron near Shanghai A claiming that the move ould contribute to raising labour standards. %he contracting of)egatron saved Apple appro&imately -S<51 million a year because the former can supply Apple ith cheaper components based upon even lo er ages and orse conditions than 4o&conn (China *abour @atch1 0213).

)egatron or"ers earn around 017 less than their counterparts at 4o&conn and have orse ee"day and ee"end overtime rates. (n 0216,

)egatron or"ers or"ed on average 52 hours overtime a month and over half of its or"er$s or" over ;2 hours overtime a month. !@or"ers desire overtime because their base agesMcannot meet the local living standard$ (China *abour @atch1 0213).

>3> I%'" =!, o&s $or Nor,her& Wor;ers

%he establishment of a super#e&ploited labour forces across the global south is the bed#roc" upon hich the global manufacturing system rises. %he creation of this labour pool also has profound conse'uences for or"ers in the global north in at least four ays.

4irst, the production of cheap goods across the global south and their e&port to the global north have lo ered the costs of northern age and capital goods. *o ering the former reduces the costs of reproducing labour po er (and can contribute to pushing ages do n). *o ering the latter reduces the costs of capital investments (such as ne machineries and services) (?ilberg1 022:, Strange and De ton1 0225, Dolan1 0229).

Second, !offshoring$ contributes to the restructuring of labour mar"ets in ays very unfavourable to labour. 4or e&ample, bet een 1;I; and 1;;;, !0aEfter losing their Bob, si&ty per#cent of service or"ers reported ta"ing a pay cut hen becoming reemployed$. 4urther

!0IEong periods of unemployment and large declines in income are li"ely

%hird, a long#term process of labour repression in the north, through states$ and firms$ strategies of demobilising labour has cut radically or"ers$ ages.

productivity increases are retained primarily by firms$ shareholders (*aLonic" and 8$Sullivan1 0222).

A CONCLUSIONS

%his article has sought to advance Global)overty Chain (G)C) analysis as a critical#theoretical alternative to institutional GVC analysis. As a conse'uence of its problem#solving approach the latter presents persistent poverty as a conse'uence of exclusion from productive employment, or as a conse'uence of deleterious local#level labour mar"et practices. %his discursive framing leads analysis a ay from a rigorous investigation of ho the formation and functioning of global value chains has been predicated upon and contributes to the (re)production of global poverty.

%he core difference bet een GVC and G)C analysis is that the former is concerned ith inter#firm dynamics, hence firm#centric. (t conceives of upgrading in Schumpeterian terms, of firms see"ing out ne technologies, ne mar"ets, ne sources of supply, and ne ays of ma"ing things. (ts prime focus is supplier firm efficiency, competitiveness, adaptability and ability to lin"#up to dynamic lead firms in !value#adding$ ays.

%he Global)overty Chain analysis approach is concerned primarily ith labouring class conditions ithin global value chains. (t recognises that Schumpeterian forms of upgrading represent supplier firm strategies to enhance competitive capital accumulation. Go ever, it prioritises analysis of the labour regimes that underpin upgrading processes. (t identifies ho poverty#inducing employment relations can underpin upgrading ithin global value chains.

Geographically differentiated forms of e&ploitation are co#constitutive of the global labour regime. %he formation and e&pansion of super#e&ploited labouring classes across the global south facilitates northern firm accumulation strategies. %he latter can threaten !their$ or"ers ith outsourcing in order to repress ages, lengthening the or"ing day, and intensify or" (immiseration, absolute surplus value e&traction and relative surplus value e&traction). %he production of very cheap goods by super#e&ploited or"ers across the global south enables northern or"ers to maintain relatively high levels of consumption hilst e&periencing stagnant=falling ages.

%o e&pand and deepen the concept of G)Cs areas for further research could include1

1) (nvestigation into the productivity# age level lin". @hat are the developmental implications of relatively highly productive industries locating in relatively lo # age regions in terms of or"ers$ human development, lead firm strategies to maintain their status as !system integrators$ and forms and processes of global stratificationP

0) %he ays in hich G)C$s are co#productive of global ealth and ine'uality chains.

9) %he e&tent of lead firm influence over employment conditions ithin their supplier firms. As noted in section **6**.**9** above, Apple sets upper or"ing time e&pectations that e&ceed those e&pected of formal#sector or"ers in the global north, and appear to act as supplier firm guidelinesQ

6) ?echanisms, practical and theoretical, that ould lead to a more e'uitable distribution of value throughout the chain, implications for chain governance, and ho such distributions could alleviate or"er povertyQ

3) Attempts by labouring classes and their organisations to utilise GVC=G)C analysis to better their bargaining po er vis#H#vis supplier and lead firms.

CA48+. (0226). Clean up your computer1 @or"ing conditions in the electronics sector. *ondon.

http1== .cleanclothes.org=resources=publications=stitched#up#1
0accessed 4ebruary 0215E

Clelland, +. (0213). %he Core of the Apple1 +egrees of ?onopoly and +ar"
Value in Global Commodity Chains.$ 3ournal o World-Systems Research
02.11 :0#111.

Conroy, ?, +, ?urray and), Cosset. (1;;5). A ,autionary Tale2 4ailed 1S
-evelopment #olicy in ,entral America. .oulder1 *ynne Cienner.

Co&, C. (1;:1). !Social 4orces, States and @orld 8rders1 .eyond (nternational
Celations %heory$, ?illennium1 Fournal of (nternational Studies, 12(0)1
105y1er (a-3.02321*3.745.+721*.2568066311[02521(,)1434847(e)1.552v784(1.4

4riedman, ,. (0216). !Alienated)olitics1 *abour (nsurgency and the)aternalist

?cGrath, S. (0219). !4uelling global production net or"s ith !slave labour$P

Sel yn, . . (0213). !Commodity Chains, Creative +estruction and Global (ne'uality1 A Class Analysis$, Fournal of ,conomic Geography. 13(0)1 039#016.

Sel yn, . . (0215) !Global Value Chains and Guman +evelopment1 A Class#Celational)erspective$. Third World 9uarterly. http1==d&.doi.org=12.12:2=216953;I.0215.11356:6

Seudieu, +. (0211). !Coffee Value Chain in Selected (mporting Countries$. (nternational Coffee 8rganisation. http1== .ico.org=presents=1211=(CC#125#1#value#chain.pdf 0accessed April 0215E.

Slaughter, ?. (022;). !Go -.S. ?ultinational Companies Strengthen the -.S. ,conomy$.)ublished)ublished by .usiness Coundtable and %he -nited States Council 4oundation. Spring 022;.

Smith, F. (0210). %he G+) illusion1 Value added vs value capture. !onthly Revie* 56(9). http1==monthlyrevie .org=0210=2I=21=the#gdp#illusion= 0accessed 3 ?ay 0215E.

Strange, C and F, De ton. (0225). !Stephen Gymer and the ,&ternalisation of)roduction$. International /usiness Revie*, 13, 1:2#;9.

Starrs, S. (0216). !%he Chimera of Global Governance$. +e* "e t Revie*. :I1 ?ay# Fune. :1#;5.

S innen, F and A, Vandeplas. (0212). !?ar"et po er and rents in global supply chains$. A(ricultural Economics, 611 12;A102.

%aglioni, +, and +, @in"ler. (0216). Y?a"ing global value chains or" for development.Y (0216). @orld .an", @ashington, +C.

%aylor, ?. (022I). !Cethin"ing the global production of uneven development$. Globali:ations, 61 30;A360.

%hompson, D. (0210). !+oes Apple Gave a .ruiseP$ +e* 8orker (3 8ctober).

-D(+8. (0225). Searboo" of (ndustrial Statistics. De Sor"1 -nited Dations.

-D(+8. (0211). Industrial -evelopment Report. De Sor"1 -nited Dations.

-DC%A+. (0219). Global Value ,hains and -evelopment2 Investment and Value Added Trade in the Global Economy. -nited Dations, De Sor".

-pchurch, ?. (0216). !%he internet, social media and the or"place$. International Socialism 3ournal. 161 (1). http1==isB.org.u"=the#internet#social#media#and#the# or"place= 0accessed 1: ?ay, 0215E.

Varman, C. (0210). !%he Deoclassical Apology for ?onopoly Capital$. ! onthly Revie*. Do. 56 (5). http1==monthlyrevie .org=0210=11=21=the#neoclassical#apology#for#monopoly#capital= 0accessed ?ay 10 0215).

@ade, C. (022:). !GlobaliLation, Gro th,)overty, (ne'uality, Cesentment, and (mperialism$. (n F, Cavenhill (ed). Global #olitical Economy. 8&ford. 8&ford -niversity)ress. Second edition. 9I9#62;.

@allerstein, (. (1;I6). !%he rise and future demise of the orld capitalist system1 concepts for comparative analysis$, ,omparative Studies in Socieetisb

@halen, C. (**0223**). **!**Sending **F**obs **8**ffshore from the **-**nited States,**$** Intervention**2** A **3**ournal o Economics **0** (**0**)**1** **99#62**.

@olf, **?**. (**0226**). Why Globali**:**ation Works. **D**e **G**aven, C**%1** **S**ale **-**niversity **)**ress.

@ood, **,**. (1**;;;**). The **0**ri**(**ins o **,**apitalism. **D**e **S**or**"1** **?**onthly **C**evie **)**ress.

@ood ard, **+**., (**02**1**3**). **(**ncrementum ad absurdum**1** global gro th, ine**'**uality and poverty eradication in a carbon**#**constrained orld. World Econoomic Revie*****. **61** **69#50**.

@orld **.**an**"**. (**0220**). Globali**:**ation**5** Gro*****th and #overty**2** **/**uildin**(** an Inclusive World Economy. **8&**ford**1** **8&**ford **-**niversity **)**ress.