



**CAPTURING THE
GAINS
ECONOMIC AND SOCIAL
UPGRADING
IN
GLOBAL PRODUCTION NETWORKS**

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BACKGROUND TO THE PROJECT

- The research programme officially commenced in December 2008 and aims to achieve its aims by the end of 2011.
- It contains a network of established academics from the North and the South.
- The two key people steering the programme are Stephanie Barrientos from the University of Manchester and Gary Gereffi from Duke University.
- The programme is funded mainly by the UK Department for International Development (DFID). It thus has a strong developmental focus.



AIMS OF CAPTURING THE GAINS

- A central aim of the research is to establish whether global production networks (GPNs) are beneficial for developing countries, generating



SOCIAL UPGRADING

- Working definition: Social upgrading is the process of improvements in the rights, capabilities and entitlements of workers as social actors. It has two dimensions:
 - Changes in output (measurable) standards
 - Changes in enabling rights



TWO DIMENSIONS OF SOCIAL UPGRADING

| Measurable standards | Enabling rights |
|--|---|
| Changes in: | Changes in: |
| Wages and incomes | Freedom of association |
| Type of work: regular/irregular | Collective bargaining |
| Worker characteristics: skills level, education, training, age. | No discrimination on basis of gender, ethnicity, creed, etc. |
| Social benefits: pension, health, unemployment insurance. | No bonded or forced labour, i.e. Freedom of employment or work. |
| Working conditions: working hours and overtime; health and safety standards. | |



CORE RESEARCH QUESTIONS

- 1) to what degree are economic and social upgrading or downgrading occurring in the chosen sectors and how do we measure them?
- 2) to what degree do economic and social upgrading go together? Under what conditions do we see both / one or the other / neither?
- 3) What drives the process and who are the main drivers?



RESEARCH DESIGN

- Four major emerging market economies across the globe constitute the platform for the study. They are Brazil, India, China and South Africa.
- Small and poor developing countries in the vicinity of the BICS countries have to be included (a DFID requirement).
- The research has to be policy oriented, i.e. Concrete proposals on what can be done to upgrade the GPNs socially and economically in poor developing countries.
- The GPNs selected for study had to fit into and help meet the above requirements.



THE FOUR CHOSEN GPNs

- It was decided to select GPNs operating in four sectors: agriculture, low tech manufacturing, high tech manufacturing, and the service sector.
- After much deliberation the four GPNs that were selected because they more or less met the criteria are:
 - Horticulture
 - Clothing (apparel)
 - Mobile telecommunications
 - Tourism
- Other factors also influenced the choice.



OTHER INFLUENCING FACTORS

- Research interests and expertise of participants.
- Existing research projects on the go that can be piggybacked.
- Excitement of doing something novel - in the case of mobile telecommunications.
- Possible constraints on participants?

- The selection of countries on which to focus was also influenced by these factors.



COUNTRIES SELECTED FOR GPNS

- The four BICS countries, Brazil, India, China and South Africa are meant to be included in all four GPN sectors.
- The following countries (by region) have been selected by at least three GPNs:
 - Asia: Vietnam (4), Bangladesh (3)
 - Africa: Kenya (4), Uganda (3)
 - Latin America: Mexico (3), Costa Rica (3), with a generally strong focus on Central America.
- There was a feeling of relief that the research programme had become more contained once the countries had been identified.



CROSS-CUTTING THEMES

- In addition to the sector studies there are four cross-cutting themes being researched. They are gender, governance, logistics and trade.
- Gender – women are often the casual workers in GPNs.
- Governance – the question of labour regulation is covered under governance. Power relations are influenced by governance structures.
- Logistics – is both cross-cutting and a GPN in its own right. Supply chain management important.
- Trade – power can be exercised through trade policy. Fair trade and labour standards are issues to be considered.



RESEARCH STAGE REACHED

- The sector groups are making detailed research plans with time lines.
- Lead firms are being identified for interviews and researching.
- Sector groups are planning to use appropriate conferences as opportunities to get together.
- Reminded that our real objective is to influence policy makers to improve matters. Research should begin with the “who question” – who are we trying to influence.
- The strength of the research programme is its unified and integrated nature.

