Development Trajectories In Global Value Chains

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Can firms and economies utilize GVCs for development? How can they move from low-income to middle-income and even high-income status? This book addresses these questions through a series of case studies examining upgradation and innovation by firms operating in GVCs in Asia. The countries studied are China, India, South Korea, the Philippines, and Sri Lanka, with studies of firms operating in varied sectors aerospace components, apparel, automotive, consumer electronics including mobile phones, telecom equipment, IT software and services, and pharmaceuticals.

In the movement from low-income to middle-income status, the key industrial and firm policies are those of catching-up and learning through reverse engineering, sometimes as part of and sometimes outside GVCs. However, what suppliers actually do to internalize and build upon what they learn through ties with buyers is the crucial factor in effecting upgradation.

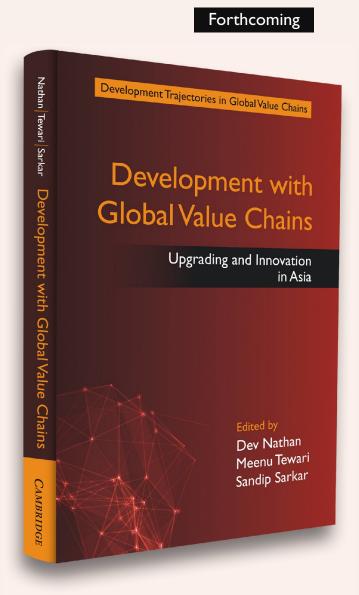
In moving beyond catch-up, however, securing rents is important. This can be done through securing process rents. However, higher rents are earned through product innovation, which enable firms and economies to develop as headquarters of value chains and overcome the middle-income trap. The acquisition and development of knowledge and capabilities drive the processes of upgrading and innovation.

Edited by

Dev Nathan, Institute for Human Development, India; GPN Studies, India; and Duke GVC Center, USA.

Meenu Tewari, University of North Carolina at Chapel Hill, USA.

Sandip Sarkar, Institute for Human Development, India.



In collaboration with Institute for Human Development, India.

Endorsements

"This exciting book adds ... to the book on labour in GVCs, here addressing the capturing and creation of new rents through technological and organisational innovations and transfers. It also addresses the thorny policy problems of supporting change in internationally splintered stages of production-distribution. A valuable contribution to development policy studies, applied economics and business studies, it will interest a wide audience outside the world of GVC enthusiasts."

Barbara Harriss-White, Emeritus Professor of Development Studies, University of Oxford

"...this stimulating, historically informed and empirically rich collection helps to move the GVC framework beyond a description of the distributional outcomes of the growing global division of labour to an analysis of why these outcomes transpire. In doing so, it deeply enriches policy, not just for governments, but also for the corporate sector and civil society."

> Raphael Kaplinsky, Honorary Professorial Fellow at the Science Policy Research Unit and Emeritus Professorial Fellow at the Institute of Development Studies, Sussex

"Value chains in Asia are the most sophisticated in the world, creating enormous productive efficiencies and innovation and at the same reinforcing deep social inequities [This book] provides serious new perspectives on the 21st century patterns of Asian economic growth and development. I highly recommend the book."

William Milberg, Dean and Professor of Economics, The New School for Social Research, New York

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