This is a repository copy of *Introduction : Bringing Institutions Back in the Study of Global Value Chains*.

White Rose Research Online URL for this paper:
https://eprints.whiterose.ac.uk/136631/

Version: Accepted Version

Article:

Eckhardt, Jappe orcid.org/0000-0002-8823-0905 and Poletti, A (2018) Introduction : Bringing Institutions Back in the Study of Global Value Chains. Global Policy. pp. 5-11. ISSN 1758-5899

https://doi.org/10.1111/1758-5899.12613

Reuse

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

eprints@whiterose.ac.uk
https://eprints.whiterose.ac.uk/

Introduction: Bringing Institutions Back in the Study of Global Value Chains

Jappe Eckhardt (University of York)
Arlo Poletti (University of Trento)

Forthcoming in *Global Policy*

Abstract

The article introduces and summarizes the key questions and findings of this special issue of *Global Policy* on the role of domestic and international institutions in the study of Global Value Chains (GVCs). The article starts by briefly introducing the concept of GVCs and the state-of-the-art of the existing literature focusing on the political implications of these landmark changes in the global economy. Then we make a case for grounding this emerging literature more strongly into an "institutionalist" perspective. More specifically, we argue that while a great deal of attention has been paid to intra-chain governance modes – i.e. the different ways in which firms organize their cross-border production arrangements – the role external institutional forces play in structuring chain dynamics remains surprisingly under-researched. These observations invite an analytical perspective that brings institutions back into the study of GVCs. The contributions to the special issue focus on multiple causal pathways linking GVCs and various types of domestic- and international institutions. Altogether, these contributions underscore that the politics engendered by GVCs, as well as how they evolve, can only be fully understood by paying attention to the external institutional context in which they are embedded.

Policy implications

- Political decisions about domestic and international institutions – be it their creation, strengthening or weakening – have crucial implications for for how firms organize production and distribution within GVCs. The stakeholders involved in policy debates about the reversal of regional trade integration in the EU (Brexit) and North America (renegotiating NAFTA), should pay greater attention to these long-term dynamics.
- Particular configurations of domestic institutions can enable countries to maintain and even expand output and employment in the manufacturing sector, even when these firms are

highly integrated in GVCs. Policy debates about the reform of domestic systems of interest-intermediation or labor market institutions cannot neglect the systematic effects these factors have on firms' foreign investment choices, and on the resulting effects on patterns of domestic production and employment.

- While private standards and codes of conduct are often hailed as potential ways to govern GVCs, they either play a minor or prove ineffective in many instances because of the lack of the necessary support of public actors. GVC-related standard-setting initiatives are more likely to be effective when devised through multi-stakeholders processes envisaging an active role for both private and public actors.
- GVCs can activate relevant societal actors (i.e., Multinational Corporations) that have an interest fostering greater global economic integration and in upholding the international institutions that support it (i.e., the World Trade Organization), even in the face of reluctance from their own political leaders and rising popular protectionist sentiments. Policy debates about the appropriate degree of global economic integration in the coming years are likely to be defined by a confrontation between coalitions of actors operating within or outside GVCs.

Introduction

The globalization of trade, production, and distribution systems stands out as one of the most important developments in the contemporary international economy (Antras 2010). Until the 1990s, most retailers and producers in advanced capitalist economies bought or produced the bulk of their products and inputs domestically. However, the growth of the industrial capabilities of a number of important developing countries enabled such producers to cut costs and streamline production by outsourcing their labour-intensive, less value-added operations to low(er) income countries while at the same time retaining core competencies such as innovation and product strategy, marketing, and the highest value-added segments of manufacturing and services (Elms and Low 2013; OECD et al. 2013; Lanz and Miroudot 2011).

These transformations have contributed to changing the nature of international economic exchanges. Today, trade in intermediates accounts for over two-thirds of total imports for the majority of OECD countries (Johnson and Noguera 2012). Moreover, it is estimated that more than 80% of merchandise exports and imports of pivotal international economic players now takes place within global networks of production and distribution (see Bernard et al. 2009 for data on the US). As a result, many goods (and increasingly also services) are no longer being produced in a certain country but are "made in the world" and it is now widely accepted that these changing patterns of trade, production and distribution crucially affect countries at all income and development levels (Taglioni and Winkler 2014). Unsurprisingly, shedding light on the political economy that drives- and is engendered by these transformations has been identified as one of the key challenges for scholars in the field of International Political economy (IPE) (Neilson et al. 2014).

The Global Value Chains (GVCs) framework has emerged in recent years as a promising conceptual tool around which systematic thinking on these phenomena can be developed, capturing the interconnectedness of such increasingly geographically dispersed patterns of trade and production across the globe (De Backer and Miroudot 2014; Gereffi and Fernandez-Stark 2011; Gereffi et al. 2005; Neilson et al. 2014). Since the term GVCs was first coined, a promising research programme has developed. For one, the GVCs framework spurred a wide array of largescale data gathering and analysis projects, often initiated by international organizations, aimed at a) capturing the interconnectedness of economies and shifting patterns of trade and production across the globe (see e.g. OECD-WTO 2015; Timmer et al. 2015); and b) studying the economic impact of GVCs (Taglioni and Winkler 2014; Saito et al. 2013). In addition, the GVCs framework triggered much work by economists, who have gone a long way in describing the phenomenon of GVCs and its implications for the dynamics of global economic competition and, in particular, which firms control and coordinate production and trade activities in the world economy (Gereffi 1999; Humphrey and Schmitz 2002; Sturgeon et al. 2008). Over time, scholars working in this field have also drawn attention to the social, cultural and political dimensions of these transformations (Levy, 2008). While also focusing on on-going changes in the material economic processes of production, distribution and consumption, this body of scholarly work devotes ample attention to the role of non-chain factors and to how power relations among different sets of actors shape the structure and organization of global production (Coe et al. 2008: 280).[1]

Altogether, these works have gone a long way in developing the appropriate analytical tools to capture and explain on-going changes in the global economy centered on industrial transformations constructed within system-wide dynamics of coordination and control by economic and non-economic actors (Neilson et al. 2014). And, perhaps most importantly, this body of work has been able to shed light on these transformations' far-reaching implications, both for foreign economic policymaking and for the international economic system at large. For instance, studies focusing on these changing patterns of production and distribution have shown how they contribute to systematically decreasing demands for protectionist policies (Baccini et al. 2017; Osgood 2017), including during economic crises (Baccini and Kim 2012; Gawande et al. 2015), thereby reducing political support for the imposition of anti-dumping measures (Eckhardt 2015; Jensen et al. 2015), and promoting support for trade liberalization through Preferential Trade Agreements (PTAs) (Antras and Staiger 2012; Baldwin 2011; Chase 2003; Manger 2009). In addition, these works have shed light on the new challenges and opportunities that firms and governments in developing countries face in this new global political economy (Barrientos et al. 2011; Gereffi and Frederick 2010; Henderson et al. 2002; Phillips and Sakamoto 2012).

Notwithstanding the relevance and quality of these contributions, our understanding of GVCs remains far from comprehensive. In particular, strikingly little attention has been paid to systematic theorizing about- and presenting comprehensive empirical evidence on the multiple causal mechanisms connecting (national-, regional and international) institutions and GVCs. This is surprising, as early work on global commodity chains (GCCs), as GVCs were first called, focused mainly on the role of (state) institutions in shaping global production. For instance, in their seminal contributions, Hopkins and Wallerstein's (1977; 1986) show how states can exercise power within GCCs in large part in the form of tariffs and rules of origin. In Gereffi's revision (1994) of the GCC concept, attention shifted to firm strategies and actions, yet he too emphasized the pivotal role of "state policies in global commodity chains" (pp. 100-101). In his framework, Gereffi (1994) laid out four key structures that shape GCCs: input-output, geographic, (firm-level) governance, and institutional. However, of these four structures, firm level *governance* has received by far the most attention in the GVC research agenda that has developed since then, while institutions have disappeared somewhat of the scholarly radar screen. In short, GVC scholars have focused primarily on conceptualizing and accounting for different *inter-firm* governance patterns (Gereffi et al. 2005; Nadvi 2008), treating institutions as an external "context" within which firms actions take place.

While recent works have paid more attention to how (state) institutions constitute and are constituted by GVCs, the central focus of this research agenda has also been almost exclusively on existing political dynamics, interactions, and power relations *within* value chains. As nicely argued in a recent contribution by Nielson et al. (2014: 3), while the conceptual prisms of GVCs have long prefigured central questions about the role of state institutions, within this literature state institutions are rarely placed in the foreground, and even more rarely given due theoretical consideration. And this line of reasoning could be easily extended to the role of regional and international institutions. Few would doubt that emergence and increasing importance of multiple layers of governance "above" the state, more or less formalized, has become a central feature of contemporary international relations (Mattli and Woods 2009). Yet, systematic research on the causal links connecting GVCs with such various types of regional and international institutions is largely missing.

To be fair, recently the literature has slowly started to move in this direction. Some recent contributions focus on the role of state institutions, analysing, for instance, whether GVCs reduce or increase the scope for state action in the domestic economy, and what strategies states can devise to support and to capture a better slice of GVCs (Curran 2015; Lee et al. 2014; Mayer et al. 2017; Ravenhill 2014; Yeung 2014). Others have explicitly adopted a GVC framework to account for otherwise surprising support for trade liberalization, through PTAs (Eckhardt and Poletti 2016). While the former set of works shows that domestic institutions can play a role in determining where GVC production processes 'land' in the world economy, the latter suggests that GVCs may have directly bear relevant actors' propensity to create international institutions. Other authors have also started to shed light on how various types of global governance mechanisms affect intra-value chain dynamics (Nadvi 2008; Posthuma and Rossi 2017). These important works draw attention to the need to think much more systematically about the causal mechanisms that connect GVCs and the "external" institutional context within which they are embedded.

Institutions and GVCs

The contributions to this Special Issue systematically address the question how institutions are affected by- and shape an international political economy increasingly organized around GVCs. To paraphrase a leading scholar in this field of inquiry: our aim is to bring institutions back in the study of GVCs (Sturgeon 2008). We define institutions very broadly as sets of formal and informal humanly devised constraints that structure economic political and social interactions (North 1990). This definition encompasses different types of institutions. On one side of the spectrum, we think of institutions as laws, policies, decision-making rules, bureaucratic institutions and governmental agencies with a more or less significant organizational standing. On the other side, we think of institutions as sets of values, beliefs, norms, and shared meanings that are embedded in particular societies. In between these two extremes, we think of institutions as stable patterns, more or less formalized, of interactions between societal actors and public officials that structure the ways in which societal interests come to be aggregated and channeled in public policy-making and may even be instrumental to setting and implementing standards for production based on voluntary adherence to common rules, reciprocity and trust (Abbott and Snidal 2009).

While GVCs can, and should, themselves be thought of as institutions, we consider them as two analytically distinct categories. Sturgeon (2008) identifies three pillars of GVCs analysis: 1) the characters of governance modes of chains, that is with the variation in the ways in which firms organize their cross-border production arrangements; 2) how power is distributed and exerted among firms and other actors in the chain; and 3) the role external institutional forces play in structuring chain dynamics. The analytical distinction between institutions that are internal to the chain and those that are external to it is therefore critical to enable disentangling the causal mechanisms that exist between GVCs and the external institutional context in which these institutionalized forms of inter-firm relations and power struggles are embedded.

The contributions to the special issue focus on both sides of the causal relationship connecting institutions and GVCs. One set of contributions concentrates on the dynamics of causation that go from institutions to GVCs. These contributions conceive of the organizational and spatial features, as well as the dynamics of power distribution and domination within GVCs as, at least partly, endogenous to the external institutional environment. These works thus shed light on how external institutional forces constrain or enable particular sets of organizational arrangements and power struggles within a value chain, but also on how they affect relations between actors located within and outside these GVCs. A second set of contributions focuses on the causal mechanisms to go from GVCs to institutions. This second set of contributions aims to shed light on how external institutions themselves are affected by particular governance configurations and power dynamics within GVCs. These works thus analyze instances in which the creation, design, and evolution of the external institutional environment can be traced back to the influence of GVCs. The contributions to the special investigate these causal channels connecting GVCs and institutions located at the national and international levels. As mentioned above, we consider institutions of various kinds, ranging from formal institutions in which public actors play a dominant role, to less formalized arrangements entailing various configurations of public and private actors' interactions. Against this background, and relying on the distinction between domestic and international institutions, we briefly introduce the key questions and findings of this special issue.

Domestic institutions and GVCs

The question how domestic institutions affect the responses of states to the incentives and constraints brought about the dynamics of international economic exchange has always been central in comparative political economy debates (Gourevitch 2002). While there is no space here to do justice to richness and quality of this literature, broadly speaking these studies have concentrated on how a number of different institutional factors – i.e. types of political systems, electoral institutions, and configurations of state-society relations – affect how preferences of societal actors are aggregated to produce particular outcomes in domestic policymaking, as well as the extent to which states develop particular domestic institutional settings with a view to effectively extract resources to provide regulatory and redistributive public goods in the face of competitive pressures brought about globalization (Katzenstein 1985; Rogowski 1987; Milner and Kubota 2005; Hall and Soskice 2001). The centrality acquired by GVCs in the contemporary world economy opens up new opportunities for developing linkages between comparative political economy and international economics, with a view to advancing our understanding of how domestic institutions filter pressures emanating from GVCs and *vice versa*.

De Ville's (2018) contribution to this Special Issue sheds light on this important debate by integrating insights from the GVC literature and the so-called Varieties of Capitalism (VoC) literature. Starting from the observation that the domestic institutional arrangements allowing firms to deal with their coordination problems vary across countries, the VoC literature contends that these different types of domestic "institutional complementarities" – the two ideal types being Coordinated Market Economies (CMEs) and Liberal Market Economies (LMEs) - critically affect how states respond to the incentives and constraints generated by an increasingly globalized economy. Against this background, De Ville (2018) investigates whether these domestic institutional factors affects the strategies pursued by firms that operate in GVCs. He hypothesizes that for firms in CMEs the gains of offshoring are lower while the costs are higher than for firms in LMEs and that this will, in turn, result in a different geography of GVCs. De Ville (2018) shows the plausibility of this argument by focussing on Germany – with data for the UK and the US as benchmarks – and convincingly shows that, although German firms are intensively integrated in GVCs, its core sectors have made relatively more use of "nearshoring", allowing firms to retain comparative institutional advantages. As a result, Germany has managed to maintain and even expand output and employment in its core industries.

Another key debate in the IPE literature concerns the increasingly important role of governance arrangements on setting and implementing standards for (global) production in the fields of labour- and human rights, as well as sustainability and the environment (Abbott and Snidal 2009; O'Rourke 2003). Standards are mechanisms by which public or private authorities can regulate and govern production and, as such, we see them as another set of institutional arrangements that should be included in our discussion on GVCs. Standards can take several forms: self-regulatory codes by companies and/or their trade associations; Non Governmental Organisations (NGOs) promoting standards for voluntary adoption by companies; or multi-stakeholder organisations in which various combinations of firms, NGOs and state actors promote and implement codes of conduct for member- and non-member firms (Abbott and Snidal 2009). Until recently there was no explicit diaologue between the literature on standards and the GVC literature. Although this is changing (Nadvi 2008), the focus of the literature on standards and GVC has mainly focused on the role of- and implications for industry actors in setting and adopting private standards (Manning et al. 2008; Lee et al 2012).

Two of the contributions to this special issue aim to move the debate on GVCs and standards away from a focus on *within* value chain dynamics and power relations by looking at a broader set of actors and wider political struggles around standards. Both contributions do so by focusing primarily on domestic standards.

Dermawan and Hospes (2018) highlight the growing importance of standards, as domestic private governance initiatives, within GVCs and the resulting power dynamics between state and non-state actors, through an in-depth analysis of the rise and fall of the Indonesian Palm Oil Pledge (IPOP). IPOP was a domestic institutional arrangement of the largest Indonesian palm oil producers aimed at zero-deforestation by 2020. At its initiation in 2014, IPOP was lauded as a turning point in curbing the negative impact of palm oil expansion on deforestation, yet the Indonesian Government dissolved IPOP in 2016. The authors convincingly show that the Indonesian Government decided to put an end to the IPOP, less than two years after it was launched, because this private business initiative was perceived as a potential threat to its sovereignty. The Government successfully framed IPOP as a threat to smallholder development, the state’s rulemaking authority, and presented the IPOP as an illegal cartel. The authors argue that there is a need to bring domestic state institutions back into GVC analysis, as the state is bringing itself back into GVC governance because it experiences that firm-driven governance of GVCs affects their sovereignty over territory, rulemaking, producers and economic organisation.

Heron, Prado and West (2018) on their part also look at domestic private standards as an institutional arrangement through which GVCs are governed and regulated. In their contribution, the authors aim to overcome the "firm centricity" of existing scholarship, which has looked mainly at how private standards are used by powerful retailers to control supply chains, by looking at the role of both state- and non-state actors in the rise of such standards and the broader (domestic) institutional context in which they emerge. To this end, Heron et al. (2018) carry out in-depth analysis of the GVC governance of soy in general and private standards schemes linked to the soy GVC in particular. The authors trace the actors that have shaped private certification initiatives related to GMO-free soy and deforestation in Brazil and conclude that private standards have played a relatively minor (and largely ineffective) role in the governance of soy. They describe one Brazilian initiative that has been successful: the 'Soy Moratorium.' This voluntary initiative, commits the soy industry to avoid buying soy grown on deforested lands and the authors show that the initiative's success is attributable to the ability of a few relevant actors to exert control on the process, the simplicity of the compliance requirements, and the active support of the Brazilian government.

International institutions and GVCs

The remaining contributions focus on the causal highlight various causal mechanisms linking GVCs and institutions located "above" states. Economic policy-making increasingly takes place within a complex, multilateral context, consisting of bilateral, regional, and global institutions, which vary widely both in terms of their degree of bindingness and with respect to their composition. The literatures on "legalization" (Abbott et al. 2000) or on the rational design of institutions (Koremenos et al. 2001) have widely investigated the first dimension, while studies on the emergence of complex and hybrid forms of governance encompassing different configurations of public-private actors' relations have shed light the second (Eberlein et al. 2014; Mattli and Snidal 2009). The contributions to this special issue seek to advance the debate by investigating the causal links connecting GVCs and international institutions varying along the three dimensions of geographical scope, degree of legalization, and type of governance.

Looking at the causal dynamics going from GVCs to international institutions, one contribution focuses on how GVCs affect the performance of a global, and highly legalized institutions such as the World Trade Organization (WTO). The World Trade Organization (WTO) stands out as a prime example of strong legalization and delegation of authority in international politics (De Bièvre et al. 2014). The functioning of a governance system which regulates over € 23 trillion in trade in goods and services on a yearly basis, ultimately depends on its judicial arm's ability to prevent opportunistic behavior by its members, and on its ability to restore compliance when these are found to violate WTO rules (). Unsurprisingly, the politics of WTO compliance has attracted a great deal of attention (for a review of this literature see Poletti and De Bièvre 2016). However, and quite surprisingly, we know very little about how the performance of the crucial institutional of the post-WWII liberal international order is affected by GVCs. The contribution by Yildirim et al. (2018) helps filling this gap by showing that decision-makers are more likely to try and eliminate barriers to cross-border trade by tabling WTO complaints when facing pressures by firms and sectors highly integrated into GVCs. In particular, the contribution shows that whenever a potential WTO dispute touches upon the interests of Multinational Corporations, policymakers in complainant countries can expect these firms affiliates in defendant WTO members to contribute to a political climate that is more conducive to compliance. This finding has important implications for the current debate about the continued centrality of the WTO, particularly in light of anti-WTO rhetoric of the current US administration, as well as its blatant attempts to undermine its functioning and legitimacy. Indeed, this analysis suggests that GVCs activate relevant societal actors (i.e., MNCs) that have an interest uphold existing multilateral trade commitments even in the face of reluctance from their own political leaders.

Two additional contributions look into the causal mechanisms linking GVCs and bilateral or regional international institutions such as PTAs. GVCs have been widely shown to stimulate PTAs. For one, firms integrated in GVCs are increasingly reliant on imports of intermediate inputs. This changes the balance of domestic trade-related interests by increasing the domestic coalition of firms favoring trade liberalization. While traditionally seen as a battle between firms exporting in foreign markets, i.e. firms in export oriented sectors, and firms fearing competition from foreign producers, i.e. firms in import-competing sectors, GVCs make import-dependent firms more important in the domestic political economy and thus stimulate support for PTAs (Eckhardt and Poletti 2016; Manger 2009). In addition, GVCs create incentives for greater regulatory harmonization, generating a demand for PTAs that are broader in scope (Baldwin 2011).

Baccini and Dür (2018) contribute to this debate by showing for the first time how GVCs interact with Intra-Industry Trade (IIT) to produce particular preferences and outcomes with regards to PTAs. More specifically, contrary to the shared view that GVCs should always make trade liberalization easier, this contribution demonstrates that GVCs, i.e. trade in intermediate goods, in the presence of IIT, i.e. trade in differentiated products make trade liberalization less appealing and, therefore less likely. Baccini and Dür (2018) empirically corroborate this argument by showing that the combination of GVCs and IIT incentivizes firms to lobby alone rather than via encompassing trade organizations, and leads to lower tariff cuts in PTAs. This finding has important implications because it casts doubts on the widely held view that GVCs should always give rise to deep and ambitious trade agreements. As the paper shows, the combination of GVCs and IIT may actually decrease the depth of institutionalized international cooperative arrangements, *in casu* PTAs.

Moreover, Eckhardt and Lee (2018) contribute in another important way to this debate through an in-depth case study on the preferences and political strategies of tobacco firms in the context of NAFTA negotiations. This contribution shows that while highly productive firms integrated in GVCs are generally supportive of PTAs, their preferences over the design of these institutions may vary considerably depending on the organization of their value chains at the time of the PTA negotiations. More specifically, Eckhardt and Lee (2018) convincingly demonstrate that depending on whether firms sourcing the bulk of their inputs from within the PTA area have a strong preference for stringent Rules of Origin (ROOs), while firms depending on offshore procurement from outside the PTA area are in favor of more lenient ROOs to accommodate their foreign sourcing of inputs. This finding has important implications because it underscores that even most productive firms may have divergent preferences over important design features of PTAs.

Conclusion

The contributions to this Special Issue contribute to shed light on the multiple causal pathways linking institutions and GVCs. As far as the domestic side of this institutional story is concerned, the findings of the special issue suggest that the domestic institutional complementarities that characterize various types of political-economies, concerns about state sovereignty, and the domestic institutional arrangements for standard setting all play a critical role in shaping how particular states respond to the incentives and constraints brought about by GVCs. Similarly, the contributions focusing on the international institutional dimension also suggest that GVCs are a key factor influencing the politics underlying the functioning of a multilateral institution such as the WTO, as well as of PTAS. Altogether, these contributions highlight that both the globalization of production has far-reaching implications for how domestic and international institutional setups evolve and perform their functions, and that global production patterns are themselves crucially affected by such national and international institutional incentives and constraints.

References

Abbott, K.W., Keohane, R. O., Moravcsik, A., Slaughter, A-M. and Snidal, D. (2000). The Concept of Legalization. *International Organization,* 54(3)**:** 401-419

Abbott, K.W., and Snidal, D. (2009), ‘‘The Governance Triangle: Regulatory Standards Institutions and the Shadow of the State.’’ In: Mattli, W. and Woods (eds.), *The Politics of Global Regulation*, Princeton: Princeton University Press, pp. 44–88.

Abbott, K.W., Keohane, R. O., Moravcsik, A., Slaughter, A-M. and Snidal, D. (2000). The Concept of Legalization. *International Organization,* 54(3)**,** 401-419

Antràs, P. (2010), ‘International Trade and Organizations’, NBER Reporter, Number 2.

Antràs, P. and Staiger, R. W. (2012). Trade agreements and the nature of price determination. *The American Economic Review*, 470-476.

Baccini, L. and Dür, A. (2018), “Global Value Chains and Product Differentiation: Changing the Politics of Trade,” *Global Policy* [this issue]

Baccini, L., and Kim, S.Y. (2012). Preventing protectionism: International institutions and trade policy. *The Review of International Organizations,* 7(4): 369-398.

Baccini, L., Pinto, P., and Weymouth, D. (2017). The Distributional Consequences of Preferential Trade Liberalization: Firm-Level Evidence', *International Organization*, 71: 373-395.

Baldwin, R. (2011). 21st Century Regionalism: Filling the gap between 21st century trade and 20th century trade rules. Working Paper 2011-08. Geneva: Economics Research and Statistics Division, World Trade Organization.

Barrientos, S., Gereffi, G., and Rossi, A. (2011). Economic and social upgrading in global production networks: A new paradigm for a changing world. *International Labour Review*, *150*(3□4), 319-340.

Bernard, A., Jensen, B. and Schott, P. K. (2009), ‘Importers, Exporters, and Multinationals: A Portrait of Firms in the U.S. that Trade Goods’, in *Producer Dynamics* edited by Timothy Dunne, J. Bradford Jensen and Mark J. Roberts. Chicago: University of Chicago Press.

Chase, K. (2003). Economic Interests and Regional Trading Arrangements: The Case of NAFTA. I*nternational Organization*, 57 (1):137–74.

Coe, N. M., Dicken, P., and Hess, M. (2008). Global production networks: realizing the potential. *Journal of economic geography*, 8 (3): 271-295..

Curran, L. (2015). The impact of trade policy on global production networks: the solar panel case. *Review of International Political Economy*, 22(5): 1025-1054.

De Backer, K., and Miroudot, S. (2014). *Mapping global value chains*. Paris: OECD.

Dermawan, A. and Hospes, O. (2018). When the state brings itself back into GVC governance: the case of the Indonesian Palm Oil Pledge, *Global Policy* [this issue]

De Bièvre, D., Poletti, A. and Thomann, L. (2014). To enforce or not to enforce? WTO judicialization, forum shopping and global regulatory harmonization. *Regulation & Governance,* 8(3): 269-286.

De Ville, F. (2018). Domestic institutions and global value chains: Offshoring in Germany's core industrial sectors. *Global Policy* [this issue].

Eberlein, B., Abbott, K. W. Black, J., Meidinger, E. and Wood, S. (2014). Transnational business governance interactons. *Regulation & Governance,* 8(1): 1-163.

Eckhardt, J. (2015). *Business lobbying and trade governance: The case of EU-China relations*. Basingstoke: Palgrave.

Eckhardt, J. and Lee, K. (2018), "Global Value Chains, Firm Preferences and the Design of Preferntial Trade Agreements," *Global Policy* [this issue].

Eckhardt, J. and Poletti, A. (2016). The politics of global value chains: import-dependent firms and EU–Asia trade agreements. *Journal of European Public Policy*, 3(10): 1543-1562.

Elms, D. and Low, P. (Eds.). *Global value chains in a changing world*, Geneva: World Trade Organization Publications.

Gawande, K., Hoekman, Bernard, and Cui, Y. (2015) 'Global Supply Chains and Trade Policy Responses to the 2008 Crisis' The World Bank Economic Review 29(1):102 – 128.

Gereffi, G. (1994), "The organization of buyer-driven global commodity chains: How U.S. retailers shape overseas production networks." In Gereffi, G. and Korzeniewicz, M. (Eds.), Commodity Chains and Global Capitalism, Westport, CT: Praeger, pp. 95-122.

Gereffi, G. (1999), "International trade and industrial upgrading in the apparel commodity chain," *Journal of International Economics* 48(1): 37–70.

Gereffi, G., and Fernandez-Stark, K. (2011). Global value chain analysis: a primer. Center on Globalization, Governance & Competitiveness (CGGC), Duke University, North Carolina, USA.

Gereffi,G. and Frederick S. (2010). The Global Apparel Value Chain, Trade and the Crisis : Challenges and Opportunities for Developing Countries. Policy Research Working Paper; No. 5281. World Bank.

Gereffi, G., Humphrey, J. and Sturgeon, T. (2005). The governance of global value chains. *Review of International Political Economy* 12(1): 78–104.

Gourevitch , P. (2002). Domestic Politics and International Relations. In Carlsnaes W, Risse T. and Simmons B. (eds.), *Handbook of International Relations*, Londong: Sage.

Hall P. and Soskice D. (2001), *Varieties of capitalism: the institutional foundations of comparative advantage*, Oxford: Oxford University Press.

Henderson, J., Dicken, P., Hess, M., Coe, N., and Yeung, H. W. C. (2002). Global production networks and the analysis of economic development. *Review of international political economy*, *9*(3), 436-464.

Heron, T., Prado, P. and West, C. (2018). Global Value Chains and the Governance of 'Embedded' Food Commodities: the Case of Soy. *Global Policy* [this issue].

Humphrey, J. and Schmitz, H. (2002). How does insertion in global value chains affect upgrading in industrial clusters? *Regional studies*, 36(9): 1017-1027.

Hopkins, T. K., and Wallerstein, I. (1977). Patterns of development of the modern world-system. *Review (Fernand Braudel Center)*, 111-145.

Hopkins, T. K., and Wallerstein, I. (1986). Commodity chains in the world-economy prior to 1800. *Review (Fernand Braudel Center)*, *10*(1), 157-170.

Jensen, B., Quinn, D. and Weymouth, S. (2015). The Influence of Firm Global Supply Chains and Foreign Currency Undervaluations on US Trade Disputes. *International Organization* 69: 913-947.

Johnson, R. C. and Noguera, G. (2012). Accounting for intermediates: Production sharing and trade in value added. *Journal of International Economics* 86(2): 224-236.

Katzenstein P. (1985), *Small states in world markets: industrial policy in Europe*, Ithaca: Cornell University Press.

Koremenos, B., Lipson, C., and Snidal, D. (2001). The Rational Design of International Institutions. *International Organization,* 55(4), 761-799.

Lanz, R. and Miroudot, S. (2011), *Intra-Firm Trade: patterns, determinants and policy* implications, Paris: OECD Publishing.

Lee, J., Gereffi, G., and Beauvais, J. (2012). Global value chains and agrifood standards: Challenges and possibilities for smallholders in developing countries. *Proceedings of the National Academy of Sciences*, 109(31): 12326-12331.

Lee, Y. S., Heo Y. and Kim H. (2014). The role of the state as an inter-scalar mediator in globalizing liquid crystal display industry development in South Korea. *Review of International Political Economy*, 21(1), 102-129.

Levy, D. L. (2008). Political contestation in global production networks. *Academy of management review*, *33*(4), 943-963.

Manger, M. (2009). *Investing in Protection: the Politics of Preferential Trade Agreements Between North and South*, Cambridge: Cambridge University Press.

Manning, S., Boons, F., Von Hagen, O., and Reinecke, J. (2012). National contexts matter: The co-evolution of sustainability standards in global value chains. *Ecological Economics*, 83: 197-209.

Mattli, W. and Woods, N. (2009). *The politics of global regulation*. Princeton: Princeton University Press.

Mayer, F. W., Phillips, N., & Posthuma, A. C. (2017). The political economy of governance in a 'global value chain world'. *New Political Economy*, *22*(2), 129-133.

Mayer, F. W. (2017). Outsourcing governance: states and the politics of "global value chain" world. *New Political Economy*, 22(2), 134-152.

Mayer, F.W., Phillips, N. and Posthuma A. (2017) The political economy of governance in a 'global value chain world', New Political Economy, 22(2): 129-133.

Milner H. and Kubota K. (2005), "Why the move to free trade? Democracy and trade policy in the developing countries," *International Organization* 43(2): 239-272.

Nadvi, K. (2008). Global standards, global governance, and the organization of global value chains. *Journal of Economic Geography*, 8(3), 323-343.

Neilson, J., Pritchard, B. and Yeung, H. W. C. (2014), "Global value chains and global production networks in the changing international political economy: An introduction," *Review of International Political Economy* 21(1): 1-8.

North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge university press.

OECD and WTO (2015). Measuring trade in value added: an OECD-WTO joint initiative. Available at: http://www.oecd.org/sti/ind/measuringtradeinvalue-addedanoecd-wtojointinitiative.htm

OECD, UNCTAD, and WTO (2013). Implications of Global Value Chains for Trade, Investment, Development and Jobs. Available at: http://www.oecd.org/trade/G20-Global-Value-Chains-2013.pdf.

Orefice, G. and Rocha, N. (2014). Deep integration and production networks: an empirical analysis. *The World Economy* 37(1): 106-136.

O'Rourke, D. (2003). Outsourcing regulation: Analyzing nongovernmental systems of labor standards and monitoring. *Policy Studies Journal*, 31(1): 1-29.

Osgood, I. (2017). Industrial Fragmentation over Trade: The Role of Variation in Global Engagement, *International Studies Quarterly*, 61 (3): 642–659,

Phillips, N., and Sakamoto, L. (2012). Global production networks, chronic poverty and 'slave labour'in Brazil. *Studies in Comparative International Development*, *47*(3), 287-315.

Poletti, A., and De Bièvre, D. (2016). *Judicial Politics and International Cooperation: from disputes to deal-making at the World Trade Organization*. Colchester:ECPR Press.

Posthuma, A. and Rossi, A. (2017). Coordinated governance in global value chains: supranational dynamics and the role of the International Labour Organization. New Political Economy, 22(2), 186-202.

Ravenhill, J. (2014). Global value chains and development. *Review of International Political Economy* 21(1): 264-274.

Rogowski R. (1987). Trade and the variety of democratic institutions. *International Organization* 41(2): 203-223.

Saito, M., Ruta, M. and Turunen, J. (2013), *Trade Interconnectedness: The World with Global Value Chains*. IMF Policy Paper.

Staritz, C. and M. Morris (2013). Local embeddedness, upgrading and skill development: global value chains and foreign direct investment in Lesotho's apparel industry, Capturing the Gains Working Paper 20.

Sturgeon, T. J. (2008). From commodity chains to value chains: interdisciplinary theory building in an age of globalization.

Sturgeon, T., Van Biesebroeck, J. and Gereffi, G. (2008), "Value chains, networks and clusters: reframing the global automotive industry," *Journal of economic geography* 8(3): 297-321.

Taglioni, D. and Winkler, D. (2014). *Making global value chains work for development*. World Bank.

Timmer, M.P., Dietzenbacher, E., Los, B., Stehrer, R., & de Vries, G. (2015). An Illustrated User Guide to the World Input–Output Database: the Case of Global Automotive Production. *Review of International Economics,* 23: 575–605.

Yeung, H. W. C. (2014). Governing the market in a globalizing era: developmental states, global production networks and inter-firm dynamics in East Asia. *Review of International Political Economy*, 22(1), 0-101.

Yeung, H. W. C. (2009). Regional development and the competitive dynamics of global production networks: an East Asian perspective. *Regional Studies*, *43*(3), 325-351.

Yildirim, A., Poletti, A., Chatagnier J.T. and De Bièvre, D. (2018), "The Globalization of Production and the Politics of Dispute Initiation at the World Trade Organization," *Global Policy* [this issue].

[1] This latter body of work employs and different conceptual terminology, the so-called Global Production Networks (GPN) framework. While acknowledging that the GVCs and GPNs frameworks draw attention on different elements they are both fundamentally concerned with the political-economic transformations brought about by the globalization of trade, production and distribution systems. For the purpose of avoiding conceptual complexity in this context, we only use the concept of GVCs in this special issue to characterize works that focus on these economic transformations.

Author information

Jappe Eckhardt is Lecturer in Politics and International Relations at the University of York (UK). Most of his research to date has focused on trade politics, the role and influence of non-state actors in (economic) policy making and global value chains.

Arlo Poletti is Associate Professor of International Political Economy at the Department of Sociology and Social Research of the University of Trento. His research focuses on the politics of trade policymaking, processes of international regulatory cooperation, and global interest communities.