2. CHAIN AND NETWORK APPROACHES TO FRAME THE GLOBAL ECONOMY

In light of the transformations in global production and international trade, a more organisational, network-centred and multi-scalar framework is central to analyse the organisation and geography of production and trade (Bair 2008a: 3). Over the past two decades a body of literature has evolved using chain or network frameworks to conceptualise and analyse economic globalisation, and in particular to explain how global production is organised and governed and how this affects the development prospects of firms, and regions (Coe/Hess 2007: 2). There are several merits of chain and network approaches especially if they are compared to standard analyses of international trade and production: First, chain and network approaches overcome limitations of isolated macro, meso or micro analysis by encompassing all relevant levels and grasping the spatiality of global production and trade. Second, these approaches take into account different actors and in particular analyse the role of firms while the central unit of analysis in social sciences in general has been the state - whether the assessment of its role is positive or negative (Henderson et al. 2002). Third, power relations and different forms of governance are explicitly analyzed.

2.1 Overview of different chain/network approaches

A variety of approaches using the chain or network concept has developed over the last two decades. Although the different approaches overlap and share common concerns, they derive from different theoretical and disciplinary domains and place different questions in the centre of analysis (for a detailed discussion see Bair 2005, 2008; Coe et al. 2008). At least four strands of research can be differentiated, which in our view constitute the field of chain and network research: Commodity Chains, Global Commodity Chains, Global Value Chains and Global Production Networks.

The term Commodity Chain (CC) was first used within the world system theory by Hopkins and Wallerstein. A CC is defined as “a network of labour and production processes whose end result is a finished commodity” (Hopkins/Wallerstein 1986: 159). The world system theory uses a broad approach of CC to analyse capitalistic processes, uneven development and the unequal distribution of surplus-value within chains. The central question is how CCs structure and reproduce a hierarchical world system that consists of core, semi-periphery and periphery. The CC approach stresses that the organisation of production within global commodity chains is not new but that these chains have been global in scope since the foundations of modern capitalism (Bair 2008a: 10f).

The Global Commodity Chain (GCC) approach builds on the world system theory but also has a background in economic sociology (Gereffi/Korzeniewicz 1994; Gereffi 1995). GCC research analyses inter-firm networks which connect producers, suppliers and subcontractors and is mainly interested in how global industries are organised and how firms, sectors and countries can upgrade. A rich stream of empirical literature has evolved that pays specific attention to the role of lead firms. Gereffi (1994, 1995) points out four dimensions of GCCs (input-output structure, geographical scope, governance structure and institutional context) but the approach has primarily concentrated on the governance dimension. Within the governance dimensions two prototypes are differentiated: producer-driven and buyer-driven commodity chains: “The former are characteristic of more capital-intensive industries (e.g. motor vehicles) in which powerful manufacturers control and often own several tiers of vertically-

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This part draws on Plank/Staritz (2009a).