DSEI06 – Global Value Chain and Multinational Enterprise

Masters of Commerce
Semester IV
DSE – Elective Paper
Global Value Chain and Multinational Enterprise

Course Type/ Course Code	Course Title	Lectures	Tutorials	Practical	Credit	Pre-requisites
DSEI06	Global Value Chain and Multinational Enterprise	3	1	0	4	NIL

Objective: The objective of the course is to acquaint the students with the evolution of Global Value Chains (GVCs) and the role of policy frameworks in shaping GVC participation. The course will also equip students to assess and analyse supply chain reconfiguration in the light of contemporary developments.

Learning Outcomes: After completion of the course, learners will be able to:

- Explain key theories of international production and value chain organization.
- Analyse the governance structures of global production networks and how MNEs coordinate production, trade, and investment across borders.
- Evaluate the role of emerging economies and policy frameworks in shaping GVC participation.
- Assess challenges related to sustainability, labour, and digital transformation in GVCs.

Contents:

Unit I **(10 Hours)**

Concept and evolution of Global Value Chains (GVCs); Fragmentation of production and international trade in tasks; Value-added trade and input–output linkages; Role of global lead firms; Measuring participation in GVCs (OECD–WTO TiVA, UNCTAD data).

Unit II **(12 Hours)**

Theories of the multinational firm (Hymer, Dunning's OLI paradigm, internalization theory); MNEs as coordinators of global production and innovation; Headquarters–subsidiary relationships; Global production networks (GPN) vs. GVC perspectives; Strategic management and governance in MNEs, Governance Types: Producer vs Buyer-Driven Chains

Unit III **(11 Hours)**

GVC participation of developing and emerging economies; Industrial upgrading and capability formation; Role of trade policy, FDI, and regional agreements (ASEAN, RCEP, EU); Role of global institutions (WTO, UNCTAD, OECD).

Unit IV **(12 Hours)**

Environmental and social upgrading in GVCs; Corporate social responsibility (CSR) and ESG frameworks; Digital trade, Industry 4.0, and supply chain reconfiguration; Geopolitics and reshoring trends (COVID-19, US–China decoupling); Future directions: green GVCs, AI-enabled production, circular economy.

Tutorial Exercise:

The students shall be asked to:

- Map and analyze the Global Value Chain of a Multinational Enterprise (MNE): Choose one Multinational Enterprise (MNE) from any major industry (e.g., automotive, electronics, apparel, pharmaceuticals, digital platforms). Trace and analyse the MNE's entire value chain, from input sourcing to end-market distribution. Examine its key production stages (R&D, manufacturing, logistics, marketing, retail), major suppliers and assembly locations, lead firms, and subsidiary relationships. Indicate countries involved and categorize activities as upstream or downstream.

- Conduct the comparative study of two leading nations in a Global Value Chain: Choose a specific global value chain (for example, automotive, semiconductors, apparel, pharmaceuticals, renewable energy, or agribusiness). Then, select two leading nations that play central roles in that value chain. Compare and evaluate the strategies, contributions, and policies that shape each nation's role and competitiveness in that value chain.

Suggested Readings:

Books:

- Gereffi, G., & Fernandez-Stark, K. (2016). *Global Value Chain Analysis: A Primer* (2nd ed.). Center on Globalization, Governance & Competitiveness, Duke University.
- Baldwin, R. (2016). *The Great Convergence: Information Technology and the New Globalization.* Harvard University Press.

- Dunning, J. H., & Lundan, S. M. (2008). *Multinational Enterprises and the Global Economy* (2nd ed.). Edward Elgar.
- Coe, N. & Yeung, H. W.-C. (2015). *Global Production Networks: Theorizing Economic Development in an Interconnected World*. Oxford University Press.
- Kaplinsky, R., & Morris, M. (2018). *A Handbook for Value Chain Research.* Institute of Development Studies, UK.
- UNCTAD. (2013). World Investment Report. *Global value chains: Investment and trade for development*. New York and Geneva, United Nations.
- The World Bank. 2020. *World Development Report 2020: Trading for development in the age of global value chains*. Washington, D.C.: World Bank Group.
- Gereffi, G. (2018). *Global Value Chains and Development: Redefining the Contours of 21st Century Capitalism.* Cambridge University Press.
- World Trade Organization (2023). *Global Value Chain Development Report 2023: Resilient and Sustainable GVCs in Turbulent Times*.

Research Papers:

- Gereffi, G., Humphrey, J., & Sturgeon, T. (2005). The governance of global value chains. *Review of International Political Economy*, *12(1), 78–104.*
- Timmer, M. P., Erumban, A. A., Los, B., Stehrer, R., & De Vries, G. J. (2014). Slicing up global value chains. *Journal of Economic Perspectives*, 28(2), 99-118.
- Hummels, D., Ishii, Jun., & Yi, Kei-Mu. (2001). The nature and growth of vertical specialization in world trade, *Journal of International Economics, Elsevier,54(1),75-96*
- Johnson, R. C., & Noguera, G. (2012). Accounting for intermediates: Production sharing and trade in value added*. Journal of International Economics, 86 (2), 224–236.*
- Koopman, R., Z. Wang and S. Wei. (2014*).* Tracing Value-Added and Double Counting in Gross Exports*. American Economic Review, 104(2),459-94.*
- Koopman, R., Powers, W., Wang, Z., & Wei, S.-J. (2010). Give credit where credit is due: Tracing value added in global production chains. *NBER Working Paper, No.16426.*
- Coe, N. M., Dicken, P., & Hess, M. (2008). Global production networks: Realizing the potential. *Journal of Economic Geography*, *8(3), 271–295*.
- Taglioni, D., & Winkler, D. (2016). *Making Global Value Chains Work for Development.* World Bank Policy Research Report.
- Ponte, S. (2022). The Hidden Costs of Environmental Upgrading in Global Value Chains. *Review of International Political Economy*, 29(3), 818-843.
- Barrientos, Stephanie & Gereffi, Gary & Rossi, Arianna. (2011). Economic and Social Upgrading in Global Production Networks: A New Paradigm for a Changing World. *International Labour Review*. 150 (3-4), 319-340.