

**SOCIAL UPGRADING IN GLOBAL VALUE CHAINS: A  
REVIEW OF THE RECENT LITERATURE**

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**ABSTRACT**

The purpose of this study is to present the results of a systematic literature review on social upgrading, a topic of growing interest among scholars of global value chains (GVCs). The work presents an analysis conducted on 16 referred journal articles on social upgrading published along the last five years. One result is that an issue that has raised considerable debate is which forms of governance have the greatest potential to promote social upgrading. Another result is that research appears to predominantly identify negative implications for social upgrading of the integration of firms in GVCs. This study contributes to clarify the current state of knowledge on the topic of social upgrading. Based on our analysis, we suggest areas of research that are likely to advance our understanding about the relationship between GVCs and social upgrading.

**Keywords:** Social Upgrading; Global Value Chain; Labour

## 1. INTRODUCTION

In the 1980s and 1990s, the integration of emerging economies (EE) into GVCs seemed a promising path to the economic and social development of these countries in the eyes of many researchers. However, in the ensuing decades, a growing amount of evidence has shown that integration into global value chains does not always promote upgrading. This is especially the case for knowledge-intensive upgrading, generally referred to in research as functional, providing companies that achieve it with better chances of gaining a significant part of the value created in the chain (Lee et al., 2011; Lee & Gereffi, 2015)

Since the 2000s, the association between economic and social upgrading in GVC and Global Production Network (GPN) research has been viewed as increasingly problematic. More specifically, the extent to which value added is appropriated by EE companies and shared with workers has been constantly called into question. Knorringa & Pegler (2006), for instance, point out that while the earliest empirical studies on GVC paid little attention to labor issues, more recent works have begun to do so. The authors claim that situations in which the upgrading of the firm and improved working conditions occur simultaneously are the exception rather than the rule.

Social upgrading can be defined as better wages, conditions, rights, gender equality and economic security in GPNs (Milberg & Winkler, 2011, p. 341). In a book that Barrientos (2014b p. 269) refers to as an “invaluable read for researchers, students and informed practitioners working in the field”, Milberg & Winkler (2013) claim that economic development and upgrading in GVCs are not sufficient to improve wages or labor standards. They state that offshoring leads to greater economic insecurity in industrialized countries that lack institutions to support workers. In low-income countries, many of the jobs created in the service of GVCs are temporary and have

unacceptable working conditions and wages. To the authors, globalization of production is increasing “US deindustrialization, contributing to a reduction of labor share of national income in many industrialized countries, dampening wages and employment among low-income workers, and more recently among workers at all skill levels”.

Despite the eloquence of the evidence that this relationship is not always positive, that on the contrary it can actually be detrimental to workers’ wellbeing, research on this issue remains limited (Milberg & Winkler, 2011). Coe & Jordhus-Lier (2011) claim that GVCs have shown a “noticeable silence on the ability of labor to win concessions from capital” (Tokatli 2013, p. 4). This author also notes that few authors have shown interest in social upgrading.

In this article, our aim is to conduct a systematic review of the literature on the relationship between GVCs and social upgrading, principally about the impact of the integration of companies in the chains and the wellbeing of workers of EE. Eventually, we have broadened the scope of the study to include papers with corporate social responsibility (CSR) and GVCs their topic, but only if they deal specifically with issues related to workers’ well-being. By analyzing the articles in question systematically, we address the following research questions: What is the current state of knowledge concerning social upgrading in GVCs? Which themes have been addressed? Which methodologies and theoretical references have been used? Based on these results, we proposed directions for future research. Our contribution to the field is to provide a panel of questions that are being discussed about social upgrading and thus stimulate further research.

## 2. LITERATURE REVIEW

### 2.1 Global Value Chain

The global value chain (GVC) concept has gained popularity as a way to analyze the international expansion and geographical fragmentation of contemporary supply chains and value creation and capture therein (Gereffi & Lee, 2012). The GVC framework was created to better understand how value is created, captured, sustained, and leveraged within all types of industries and it is based on two key concepts: governance and upgrading. A key determinant of upgrading outcomes is the governance structure of global value chains. Governance is a centerpiece of GVC analysis (Gereffi & Lee, 2016).

Governance structures are complex, and they include international as well as national regulations, and both public, private, and social forms of governance (Gereffi & Fernandez Stark, 2011). The governance of GVCs focuses mainly on lead firms and the way they organize their supply chains on a global scale, while upgrading involves the strategies used by countries, regions, firms, and other economic stakeholders to maintain or improve their positions in the global economy (Gereffi, 2005).

Gereffi et al. (2005) elaborated a fivefold typology of GVC governance structures. Between the two extremes of classic markets and hierarchies (i.e., vertical integration), three network forms of governance were identified: modular, relational, and captive. In these network forms of GVC governance, the lead firm exercises varying degrees of power through the coordination of suppliers without any direct ownership of the firms.

## 2.2 Economic and Social Upgrading

Economic upgrading is defined as a move to higher value activities in production, to improved technology, knowledge and skills, and to increased benefits or profits deriving from participation in GVCs (Gereffi, 2005). Humphrey and Schmitz (2002) identified four types of upgrading within the GVC framework: (i) product upgrading: moving into more sophisticated product lines; (ii) process upgrading: transforming inputs into outputs more efficiently by reorganizing the production system or introducing superior technology; (iii) functional upgrading: acquiring new functions to increase the overall skill content of the activities; and (iv) chain upgrading: where firms move into new but often related industries.

Other types of upgrading pointed out in the literature lately are social and environmental upgrading. The focus of this article is the “social upgrading”.

Social upgrading is defined as the process of improvement in the rights and entitlements of workers as social actors and the enhancement of the quality of their employment (Barrientos et al., 2011). Despite a growing body of literature aimed at analyzing labor and social upgrading in GVP (Barrientos et al., 2011; Milberg & Winkler, 2011; Navas-Alemán, 2011), there is need for further investigation of the outcomes of firms’ economic upgrading for the workers who are a fundamental piece in achieving it (Rossi, 2013).

Although there are examples in the literature providing empirical evidence of social benefits for workers as a result of higher value added in supplier firms’ production (Nadvi, 2004), it is still critical to clarify to what extent and under which conditions firms’ decisions in participate in GVCs based on economic upgrading can lead to social upgrading for workers (Rossi, 2013)

### 3. METHODOLOGY

In keeping with Kontinen & Ojala (2010), we adopted the orientations of Tranfield, Denyer, & Smart (2003) to conduct systematic reviews. The review was conducted by searching the Thompson Reuter's Web of Science database for articles that included the term "Global Value Chain" in the title or as a topic. Although the base is criticized for favoring literature in English and for inconsistencies and bias in how it calculates the impact value of articles and authors (Klein & Eric Chiang, 2004), it is recognized for its comprehensive indexing of articles in the field of Social Sciences, given that it covers over three thousand academic journals ( Webster & Watson, 2002; Wahl & Bull, 2014). We restricted the search to the years of 2013 through 2017, as we were interested in mapping current topics, and to the categories of Management, Business and Economics, as we mainly had in mind a readership of business researchers. The search was conducted in early September 2017, and 94 articles were identified. Of these, 56 were in the category of Economics, 22 in Business and 16 in Management.

All 94 articles were examined by two of the authors to determine whether they referred to or at least considered an aspect of social upgrading as defined by Milberg & Winkler (2011) above. To identify the central concepts addressed by the articles, we compiled a concept-centered matrix (Webster & Watson, 2002) as we read them. The subtitles under which the analyzed texts are clustered in the following section are derived from this conceptual matrix.

## 4. THE FINDINGS

### 4.1 Methodological Issues and Types of Research

This section examines the authors, journals, types of research and other objective elements of the articles. Table 1 summarizes the findings reported in this section.

#### *4.1.1 Authors*

The 16 analyzed articles were written by 29 authors, of whom only two, Gary Gereffi and Joonkoo Lee, are the authors of more than one article. The fact that these two authors have written more than one article in the sample is not surprising, given that they, especially Gereffi, are among the most prolific writers on the theme of GVCs. The fact that they have two articles in the sample suggests that concern over the issue of social upgrading has been incorporated into the subjects that have attracted the attention of the most frequently cited authors on GVC, which may be interpreted as a sign that this theme is now one of the central topics of GVC research.

#### *4.1.2 Bibliographic sources of the reviewed articles.*

The articles were published by ten different sources. Six of them were published in a single journal, the Journal of Business Ethics, which focuses on examining the moral aspects of production systems. This suggests that the topic is well received among researchers and readers with a critical perspective in relation to these moral aspects. This suggestion is strengthened by the fact that two other articles were published in journals that also question the dominant discourse in academia. We are referring to the articles of Lee & Gereffi (2015), published in Critical Perspectives on International

Business, and Mischczynski (2016), published in the Journal of Organizational Ethnography.

#### *4.1.3. Country or Continent of the research*

Ten articles have samples involving cases that occurred in specific regions, with one of these articles involving two regions. Of the eleven regions, four of the articles focus on Asia, two on Oceania, three on Europe, one on Africa and one on Latin America. The others are not based on any specific country or continent. These data suggest a certain concentration of research in the Orient, as is the current trend in all themes involving EEs, with the corresponding underrepresentation of African and Latin American countries in research.

#### *4.1.4 Types of study*

We classified the articles into four types: theoretical essays, case studies, ethnography and quantitative studies. We classified literature reviews, critical essays and non-empirical articles in general as theoretical essays. Empirical articles were classified as case studies, ethnography or quantitative studies. This classification appeared to highlight one notable aspect of the analysis of the sample: the virtual absence of quantitative studies. Of the sixteen articles, nine are case studies, five are theoretical essays, one is an ethnography, while only one is a quantitative study.

#### *4.1.5 Theoretical frameworks*

Of the 16 articles analyzed, three used or at least referred to concepts of institutionalism, one to transaction cost theory, one to feminist political economy and one to Marxian value theory. Most of the articles were limited to using concepts such as governance and fragmentation, which are part of the GVC and GPN frameworks.

- **Table 1 about here** -

#### 4.2. The Findings or Main Propositions of the Papers

The articles are categorized three groups, according to their subject matter.

##### *4.2.1 GVC governance.*

Of the 16 articles identified, seven directly discuss the relationship between the governance of the chains and social upgrading. It is important to note that the concept of governance in this discussion is different from the concept discussed in the seminal article of Gereffi, Humphrey, & Sturgeon, (2005) and widely used in works that analyze the relationship between types of governance and the possibilities of economic upgrading, such as Humphrey & Schmitz, (2004), Nadvi (2004) and Navas-Alemán, (2011). Discussions of governance, in the context of social upgrading, concentrate on analyzing the possibility of private or governmental patterns of governance generating the behaviors that enable social upgrading.

The fundamental characteristic of compliance patterns is that they are promoted by buyers, usually large multinationals companies. Suppliers and other actors in GVCs adhere to them voluntarily (Locke et al., 2009). Cooperation programs, on the other hand, are based on long-term cooperative relationships, agreed and based on trust between buyers and suppliers, third-sector organizations, trade unions and others.

The authors of all but one of the seven articles that discuss governance and social upgrading recognize that compliance patterns have limited possibilities of promoting social upgrading. Recent serious incidents, with repercussions in the media, have shown how limited these patterns are in terms of promoting social upgrading. These events include the suicide of 12 employees of Foxcom, a major Chinese supplier to Apple, the collapse of a building in Bangladesh killing over a thousand workers of the global clothing industry, and proof that suppliers of Zahra kept workers in conditions similar to slavery.

The only paper that attributes positive possibilities to the cooperation pattern is Egels-Zandén (2016). He reports the experience of a Swedish jeans manufacturer that integrated into its strategic planning the policy of only using suppliers from democratic countries with progressive human rights policies. The author found that violations of workers' rights by the company's suppliers were relatively benign in comparison with those of other manufacturers. All the other authors assume that these patterns are not effective when it comes to promoting workers' wellbeing.

Strictly speaking, the authors are skeptical or at most cautious with regard to the possibility of any type of governance promoting social upgrading. Lund-Thomsen & Lindgreen (2014) discuss the characteristics, potentials and limits of the cooperation paradigm. They conclude that it has few chances of altering the relationships of power between buyers, suppliers and workers in GVCs and that it therefore appears incapable of ensuring significantly better working conditions for workers.

Lee & Gereffi (2015) claim that a new possibility of governance reside in hybrid forms in which private and public patterns would complement each other in what they call synergistic governance. Even allowing that it is not an easy form to achieve, they claim that it offers a promising way to cluster actors from civilian society, government

and corporations at the global level to achieve common goals. In another article, (Gereffi & Lee, 2016), the authors suggest various research questions on the theme, including making explicit the conditions under which synergistic coordination is more likely to appear.

Clarke & Boersma (2017) analyze the problems that Apple Inc. faced with its suppliers in Asia, especially in China. They describe many accidents, strikes, protests, complaints and other aspects involving wages and working conditions at Foxconn, Apple biggest Chinese supplier. They argue that Apple, being the most successful company in the world can be seen as an example of the difficulties faced by the rest. To the authors, the case of Apple, as the Chinese government enforces few regulations about labor relations, is paradigmatic of the limits of governance based on self-regulations.

Bair (2017) problematizes the possibilities of the cooperation and synergistic paradigm promoting social upgrading. This is interesting as the other authors we revised suggest that this paradigm supersede the compliance one and would be more propense to promote social upgrading. The author analyzes an experiment that took place in Nicaragua, involving an International Labor Organization program, Better Work. One objective of the experiment was to reduce violations, by garments exporting industries, of national labor laws. The governance of the program was hybrid and involved national and transnational actors from the public and private sectors, and in this sense, cooperative and synergistic. The staff on the program ended up becoming involved in contentious politics and, due to a lack of active engagement by local civil society, the program weakened the local regulatory context. This result was the exact opposite of what the program was intended to achieve.

The article by Niforou (2015) goes beyond claiming that one governance pattern or another is more likely to promote social upgrading, proposing an analytical framework that allows the development of insights regarding how to aid the improvement of working conditions in GVCs. The framework suggests that chains can be quite diverse among themselves and that certain governance patterns may be more suitable in certain situations. It suggests a contingent approach to analyzing the issue of governance patterns. Thus, in this sense, may be viewed as an integrative framework of the previous works.

#### *4.2.2 GVCs' impact on work conditions*

Eight papers of our sample discuss the impact that the fragmentation of work and GVCs have on the quality of work. Of the eight, two focuses on the impact on minorities, three on this impact on skilled workers and two on the consequences of work mobility. The eight paper analyses a phenomenon that the author refers to as compressed development. With the exception of two articles, those of (Timmer et al., 2013) and of (Haworth, 2013), all describe rather negative impacts of GVCs on worker's wage and working conditions.

Barrientos (2014a) analyzes women's participation in cocoa-chocolate production in Ghana and India and its consumption in Europe. According to her, the integration of producers in GVC has not helped to reduce gender inequalities or improve workers' low wages. Indeed, the author provides data that strongly suggests that the situation has worsened. "Cocoa prices saw long term download in real terms of 2% between 1950 and 2010, which was not reflected in chocolate prices" (Barrientos, 2014a, p. 795). According to a World Bank report, cited by her, developing country claims of value added in the sector declined from around 60% in 1970-72 to around 28% in 1998-2000.

Using feminist political economy as an analytical framework, Barrientos (2014a) also shows that women contribute to the increasingly important marketing of cocoa-chocolate. However, they are paid on average 30 to 40% less per worked hour than men and are hired under casual conditions around twice as often. European buyer companies are increasingly aware of the situation, but choose to ignore it, as they benefit from, capturing value at the consumer end of the chain.

Stringer, Simmons, Coulston, & Whittaker (2014) analyze how abuse of power against migrants can occur, even in institutional environments that supposedly protect them. Their article is a single case study focusing on Oyang 70, a South Korean fishing trawler that sank off the New Zealand coast, killing six people. The authors describe the inhumane conditions on board, the violation of rights, physical and mental abuse and unpaid wages. They claim that accidents and abuses of remuneration and precarious conditions led 550 workers to abandon trawlers in New Zealand waters between 1994 and 2011.

To the authors, fishing is associated with commodity-oriented value chains, with business models that typically focus on low prices. The drive to minimize prices leads to outsourced labor. Increasing competition among contractors forces them to reduce wages and creates triangular employment situations, in which the legal employer is not the one for whom the work is done. The business model accounts for the vulnerability of workers.

Brownlee (2016) identifies a strong shift in the ratio of highly skilled and unskilled workers in Australian immigration in the past two decades. Whereas in the 1980s managers and professionals accounted for approximately 45% of all immigrants, from 1997 to 2004, this number rose to 77% of all long-term visas granted. The author claims that, while in the past advanced capitalist economies recruited for the nations, to

ensure minimum population growth rates, nowadays they use immigration to expand capital, support the interests of transnational corporations and enhance value appropriation strategies. For him, these changes are related to the country participation in the global exploitation of labor and the growth of GVCs.

Hansen (2016) analyzes issues related to highly skilled workers. This author conducted a multiple case study at four Danish companies, two in the information and communication technology sector, in a context of a high degree of internal competition, and two in the medical and biotechnology sector, with less competition due to the protection provided by patents and the country's regulations. His conclusion is that, while the impact of global restructuring on wage and working conditions of highly skilled employees is contingent on several companies' conditions, overall, they are not immune to negative impacts of this restructuring.

Timmer et al., (2013) also discuss the impact of the growing fragmentation of production on highly skilled workers, especially in Europe. As a source of data, they used the World Input-Output Database, which allows an analysis in terms of value added in exports from one country to another. They found that growth in terms of value added exports for European countries, from 1995 to 2008, was much lower than growth in terms of gross exports. In Germany, for example, while the value for the latter was 7%, it was 98% for the former. Differences of at least 300% also occurred in France, the United Kingdom, Italy and Spain. Following their analysis, the authors concluded that the accounting of foreign trade based on the value of exported products, as is the case today, is of little use when analyzing issues concerning the productivity and competitiveness of countries.

Regarding employment in European GVCs, the authors found that the number of these jobs rose considerably in all European countries from 1995 to 2008, with a total

increase of 57.5% for the European Union. These activities are being increasingly conducted in the service sectors in these countries rather than the manufacturing sector, and it is likely that they account for the absorption of workers moving out of manufacturing.

Haworth (2013) analyzed the impact of the compression of development stages in contemporary Asian economies, due to integration into GVCs and the impact of this compression on Human Resource Development (HRD) policies. The author claims that contemporary economies in Asia are undergoing a transition process between stages of development, which used to occur in sequence but now overlap. GVCs make industries and firm models redundant and open new opportunities which are less predictable in relation to the sequence of stages in which they occur. These changes forces HRD to be alert to the need for new skills and creates new demands that reach beyond compulsory education, extending to post-graduate learning. According to the author, the countries have managed to respond well to the challenges imposed by the compression of development.

Miszczynski (2016) describes the impact on a small community, first of the implantation of a mobile phone factory in it, and afterwards of the transference of that factory to China. While the establishment of the factory caused a boom in the local labor market and the emergence of new life perspectives, its closure made the community return to semi-subsistence agriculture and placed the modernization dreams on hold.

Taylor et al. (2014) analyze the impact of the 2008 crises on the call center sector of India and find that, in addition to the dismissal of hundreds of thousands of workers, it has led to an intensification of work pace and widespread feelings of insecurity. The authors argue that this precariousness of labor conditions brought about

by the crises cannot be attributed solely to the market conditions caused by the crisis and was due also to the changing conditions of the international division of labor and the dependence of India's call center sector of leading North American and British leading buyers.

#### *4.2.3. Comprehensive reasons*

Acquier et al., (2017) argue that the logic of CSR and GVC are in opposition. Implementing CSR, normally imply incurring in increased transaction costs. To reduce environmental impacts, for instance companies need to invest in production processes or in improving their workforce's competences. While the logic of GVC is to divide production between independent parties and optimize the use of each party's assets, making them systematically compete, the logic of CSR is to bring them together with greater coordination and long-term contractual relationships.

Table 2 summarizes the subject, focus and mains finding or propositions of the 16 articles reviewed in this paper.

- **Table 2 about here** -

## **5. DISCUSSION**

The panorama that emerges from the analysis of the 16 articles reviewed is one in which the impact of firm's integration in GVCs on the wellbeing of workers is problematic. On the key issue of governance, one of the few points on which the authors seem to agree is that the patterns that have prevailed so far have left space for

several breaches of compliance with standards geared at promoting the wellbeing of workers. Regarding the cooperative and synergistic forms, that are pointed out as alternatives for overcoming the limitations of the existing patterns, even the authors who describe them express doubts about their effectiveness and viability. Other authors have already described situations in which these new patterns have been tried with questionable results.

Researches directly discussing the impact of GVCs on employment conditions do not give rise to a more optimistic picture. Research has provided a framework in which minority rights do not improve with firm's integration in GVCs. The only article that was understood by us as not pertaining to the two topics above, governance and impact of GVCs on work conditions, (Acquier et al., 2017), state that there is a basic contradiction between the logic of socially responsible action by companies and the logic of GVCs.

The pessimistic picture that emerged from our literature review, however, is in tandem with several results of researches and syntheses previous to ours (Knorringa & Pegler, 2006; Milberg & Winkler, 2011). What our research shows is that in the recently published papers, the situation portrayed does not seem to have changed much.

On the other side, the issue of workers wellbeing is no longer being ignored by research on GVC, as Coe & Jordhus-Lier (2011) and Tokatli (2013) complained not long ago. The fact that 16 out of 94 articles about GVC, published between the years of 2013 and 2017 dealt with the issue shows that it is receiving considerable attention by the research in the field.

Another result of our research is that studies on the topic almost do not utilize quantitative methods at all. All but one of the articles analyzed were single or multiple case studies, theoretical essays or literature reviews. Milberg & Winkle (2011) had

already noted that most studies on economic upgrading were case studies on countries or sectors. Our study suggests that this panorama prevails also for research on social upgrading.

## **6. FURTHER RESEARCH**

Several of the papers reviewed provide suggestions for further research. Gereffi & Lee (2016, p 36.) emphasize the necessity of research that “identify the conditions under which economic and social upgrading can be mutually supportive” and that make explicit under which conditions complementary and synergistic governance are likely to emerge. Niforou (2015) encourages researchers to study lower tier suppliers and intermediaries and their interactions with global suppliers and intermediaries. Hansen, (2016, p. 16) suggests that, when studying highly skilled workers, researchers differentiate between technicians that are “tools of productions” from those “that are governors of production”.

Our understanding is that these suggestions form a broad, multifaceted and stimulating set of issues that mostly remain unexplored but are of great importance in terms of social development, especially for EEs. Yet, we think our results suggest some other research issues that we want to register.

The fact that almost every article addressing issues of social upgrading is either a case study or theoretical review points to a methodological gap: the lack of articles with other methods, mainly quantitative empirical studies. As some authors have pointed out (Milberg & Winkler, 2011)., case studies provide an in-depth understanding of the upgrading process, but are subject to selection bias issues, which may affect the validity of generalizations derived from them

We assume that the predominance of case studies in social upgrading research is due to the difficulty involved in obtaining samples large enough to make statistical analyses feasible. In this sense, we suggest that Qualitative Comparative Analysis (QCA) (Ragin & Rihoux, 2004) and Fuzzy Set Comparative Qualitative Analysis (Grofman & Schneider, 2009) techniques may be an alternative, as these methods permit structured treatments of data with small numbers of cases. The difficulty of researching social upgrading faces is similar to international relations, a field that also faces problems in generating data that allow statistical analysis. International relations have pioneered and is making frequent use of QCA and FsQCA. These methods are not a substitute to statistical ones, but they allow for estimation of consistency and coverage, that are a succedaneum for estimation of validity and reliability.

A controversial research topic, but one which others have already highlighted (Neilson, 2014), is the absence of research that questions the GVC as a discursive practice associated with the neoliberal agenda. According to Neilson (2014), at its initial phases, GVC was heavily influenced by the ideas of dependence theory (Frank, 1969; Furtado, 1970; Cardoso & Faletto, 1979) and world-systems theory (Wallerstein, 2004). These theories tended toward state intervention and import substitution industrialization. Since the early 2000s, these theories have shunned in favor of firm-centric approaches, such as those of Michal Porter (Porter, 1980).

Finally, an opportunity for further research is represented by the limitations in the scope of this review. The diversity of themes, the theoretical and methodological gaps and their social and academic interest identified in this study suggest that it is important to conduct further reviews with the same focus, but with a wider range of research sources. In addition to other article databases, such as Ebsco, Emerald and Elsevier, it would be interesting to include websites of universities and research centers.

A great deal of important material is available from these sources, but are not indexed by the Web of Science. Two examples of these sources are Capturing the Gains and the Sussex Institute of Development Studies (IDS). Capturing the Gains is a network of international researchers who investigate how global chains affect production and employment in EE. IDS is an institution based at Sussex University, which has promoted development research for decades and hosts several of the leading researchers in the field.

## 7. CONCLUSIONS

This article conducted a systematic review of the GVC literature that addresses issues related to social upgrading. It identified 16 articles that allowed us to elaborate a panel of subjects currently discussed in this literature. We systematized the research and offered suggestions for further research. Therefore, we contributed to clarify the state of knowledge and to the emergence of new research on the topic.

In the name of reflexivity, we conclude the article with considerations regarding the extent to which the preferences and values of the researchers affected our results. We understand that the reduction of the initial selection of 94 articles to a sample of 16 that we analyzed was done with objective and replicable criteria. Therefore, the subjectivity of the authors does not appear to have interfered there. However, this objectivity is more questionable in the classification of the articles into categories.

In several articles, their content left no room for doubt concerning their inclusion in each category. This is the case, for example, of the articles of Barrientos (2014a) which clearly dealt with the issue of women rights. However, in the case of others, the authors could have made different choices. Lee & Gereffi (2015), for instance, dedicate considerable space to the participation of rising powers in GVCs. Rising powers for

them are big countries, such as China, India and Brazil that have already attained a certain level of economic development. We could have opted to have in our article a classification referring to this type of countries and included their paper in it. Yet we opted to include the paper in the governance subject matter.

Analogous issues can be raised regarding the categorization of papers as being optimistic or pessimistic about the possibilities of integration of firms in GVCs to promote social upgrading. Although we believe we have consistent reasons for the options we have made, those options could have been influenced by our preferences.

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Table 1

**Methodological issues and types of study reviewed**

<b>Author/Year</b>	<b>Journal</b>	<b>Country/ Region</b>	<b>Type</b>	<b>Theoretical framework</b>
(Haworth, 2013)	Journal of World Business	Asia	Case study	
(Timmer, Los, Stehrer, & de Vries, 2013)	Review of International Economics	Europe	Quantitative Study	
(Lund-Thomsen & Lindgreen, 2014)	Journal of Business Ethics	N/A	Theoretical essay	Institutionalism
(Barrientos, 2014a)	Regional Studies	India and Ghana	Case study	Feminist political economy
(Stringer, Simmons, Coulston, & Whittaker, 2014)	Journal of Economic Geography	New Zealand	Case study	Institutionalism
(Taylor, D’Cruz, Noronha, & Scholaris, 2014)	New Technology, Work and Employment	India	Case study	
(Lee & Gereffi, 2015)	Critical Perspectives on International Business	N/A	Theoretical essay	
(Niforou, 2015)	Journal of Business	N/A	Theoretical	

<b>Author/Year</b>	<b>Journal</b>	<b>Country/ Region</b>	<b>Type</b>	<b>Theoretical framework</b>
	Ethics		essay	
(Gereffi & Lee, 2016)	Journal of Business Ethics	N/A	Theoretical Essay	
(Brownlee, 2016)	Journal of Australian Political Economy	Australia	Case study	
(Hansen, 2016)	Competition & Change	Denmark	Case study	
(Egels-Zandén, 2016)	Scandinavian Journal of Management	Sweden	Case study	
(Miszczynski, 2016)	Journal of Organizational Ethnography	N/A	Ethnograph y	Marxian value theory
(Bair, 2017)	New Political Economy	Nicaragua	Case study	
(Acquier, Valiorgue, & Daudigeos, 2017)	Journal of Business Ethics	N/A	Theoretical essay	Transaction cost
(Clarke & Boersma, 2017)	Journal of Business Ethics	Asia	Case study	Institutionalism

Table 2.

**Articles subject matter and main finding**

<b>Authors</b>	<b>Subject Matter</b>	<b>Focus</b>	<b>Main findings or propositions</b>
(Haworth, 2013)	GVCs' impact on employment	Compressed development	GVCs make differences between stages of development of countries fluid and the need for skills in the work force less predictable.
(Timmer et al., 2013)	GVCs' impact on employment	Proportion of skilled jobs in the economy	Number of GVCs specialized workers increased in Europe between 1995 and 2008, with jobs losses in manufacturing being more than compensated by new ones in service.
(Lund-Thomsen & Lindgreen, 2014)	Governance	Cooperation based governance	Cooperation based governance is unlikely to bring sustained improvements in workers' conditions
(Barrientos, 2014a)	Minorities' remuneration and rights	Social upgrading of women	Empowerment of women requires addressing gendered inequities in production along GVCs
(Stringer et al., 2014)	Minorities' remuneration and rights	Migrant labor abuse	A cost minimization business model created a working environment in which protecting New Zealand's institutions failed to avoid migrant

			labor abuse.
(Taylor et al., 2014)	GVCs' impact on employment	Impact of crisis on employment	The 2008 crisis provoked unprecedented growth in job insecurity and intensification of work in the Indian call center industry
(Lee & Gereffi, 2015)	Governance	Synergistic governance	The inability of voluntary patterns to address poor labor conditions has led to calls for joint governance through the cooperation of actors.
(Niforou, 2015)	Governance	Labor agency	Diversity of contexts make it unlikely that one type of governance will promote social upgrading in all situations. Research has to recognize multiplicity of contexts.
(Gereffi & Lee, 2016)	Governance	Synergistic governance	Growing pressure to link economic and social upgrading is leading to 'synergistic' governance to support gains for labor groups.
(Brownlee, 2016)	GVCs' impact on work conditions	Countries immigration policies	While in the past advanced capitalist economies recruited to ensure population growth rates, they now use immigration to expand capital.
(Hansen, 2016)	GVCs' impact on work conditions	High skilled workers	High skilled workers are not immune to bargaining power and other losses caused by international restructuring

			processes
(Egels-Zandén, 2016)	Governance	Private governance	Private governance can lead companies to have strategies inducive to social upgrading
(Miszczynski, 2016)	GVCs' impact on work conditions	Work mobility	The mobility of organizations makes the relations between them and the local community temporary and unstable, with oppressive consequences for workers
(Bair, 2017)	Governance	Hybrid governance	Hybrid governance can best be understood when GVCs are conceived as a transnational, political field.
(Acquier et al., 2017)	Reasons for social upgrading continuing failure	Outsourcing versus CSR logic	In order to implement social upgrading strategies, the parties have to incur transaction costs and behavioral threats that make this implementation unlikely.
(Clarke & Boersma, 2017)	Governance	Shortfalls of self-regulatory initiatives	Apple's pattern of minimal reform and frequent denial inhibit changes to a fundamentally flawed production system