

## **The Problem of Promoting Equitable Development: Value Chains, Power Distribution and Development Models**

Pui Yi Wong and Edmund Terence Gomez

Department of Administrative Studies and Politics,  
Faculty of Economics and Administration,  
University of Malaya, Kuala Lumpur 50603, Malaysia.

### Abstract

This article reviews two books on value chain research against the background of the outcome document from the Third International Conference on Financing for Development (FFD3) convened by the United Nations in 2015. The books – compilations of papers on *Value Chains, Social Inclusion and Economic Development: Contrasting Theories and Realities* (Helmsing and Vellema, 2011) and *Markets and Rural Poverty: Upgrading in Value Chains* (Mitchell and Coles, 2011) – and the FFD3 document all share similar themes on the pursuit of economic development in an environmentally sustainable and socially just manner. However, most contributions in both books as well as the FFD3 process stop short of acknowledging the influence of political economy on their debates, which this review argues must be incorporated to better understand the asymmetries of power distribution. This is crucial in order to formulate clear strategies that can adequately address development issues pertinent to developing regions such as Southeast Asia.

### I. Introduction

The Sustainable Development Goals (SDGs), an ambitious development agenda to replace the Millennium Development Goals (MDGs), are well underway globally after being formally adopted by the United Nations General Assembly in September 2015. The success of the SDGs hinges on an event held earlier in the same year, where governments, intergovernmental institutions, the private sector, and civil society gathered at the Third International Conference on Financing for Development (FFD3) in Addis Ababa to discuss how to mobilise resources for sustainable development. The FFD3 was the first of three major international summits in 2015 and its outcome document, the Addis Ababa Action Agenda (AAAA), set the momentum for all countries towards sustainable development.

The AAAA captures the ambitions of the post-2015 agenda to “end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion.” (United Nations, 2015a: p. 1). These are not new issues. The two books reviewed here – *Value Chains*,

*Social Inclusion and Economic Development: Contrasting Theories and Realities*, edited by Helmsing and Vellema (2011; henceforth *Value Chains*); and *Markets and Rural Poverty: Upgrading in Value Chains*, edited by Mitchell and Coles (2011; henceforth *Markets*) – highlight similar emphases on poverty eradication, environmental protection, gender equality and equitable growth. *Markets* and *Value Chains* are incisive and erudite contributions about lessons learnt during the period under the MDGs. They are extremely relevant in the context of current debates about equitable forms of socioeconomic development. The books present nuanced analyses of development initiatives at the micro level, and it is timely to revisit them amidst a recent focus on large infrastructural investments by China and proposed cuts to the foreign aid budget in the United States. Particularly, the books capture the contestations between the state, businesses and society on the ground, and how business can alleviate or perpetuate poverty.

## **II. Bridging Business and Society**

At the FFD3, the contestations between different stakeholders were notable. New roles for the business community, and especially transnational corporations (TNCs), in the development agenda were disputed by civil society as unfair and non-inclusive, while developed and developing states had differing notions of sustainable growth and social equity. Adding to this mix were international development institutions with a range of objectives that could align with the causes of either stakeholder.

The United Nations lauded the AAAA for spearheading an enhanced global partnership that overhauls global finance practices and cooperates on various issues including technology, science, innovation, trade and capacity building (United Nations, 2015b). The International Business Forum, held in conjunction with the FFD3, affirmed the shift in development cooperation, from traditional forms of aid by developed nations and international aid agencies towards public-private partnerships (PPPs) and the concept of ‘blended finance’ (Business Sector Steering Committee, 2015).<sup>1</sup> The UN estimated that the SDGs will increase the need for development finance from millions to trillions of dollars, hence the need to tap into different resource streams to meet the goals. ‘Business for 2030’, an initiative of the United States

---

<sup>1</sup> Blended finance is a concept inspired by ReDesigning Development Finance, a joint global project between the World Economic Forum and the Organisation for Economic Co-operation and Development, Development Assistance Committee (OECD-DAC). It aims to use public funds to attract private capital from capital markets, institutional investors and business, in order to harness investor, development and philanthropic resources for investments that drive development in emerging and frontier markets (Cann, 2014).

## The Problem of Promoting Equitable Development

Council for International Business praised the AAAA for unlocking new finances through private sector engagement among other recommendations, hailing the “tremendous opportunity for the private sector” (Business for 2030, 2015).

Conversely, civil society organisations (CSOs) released a strongly worded response to the AAAA (Civil Society Forum, 2015a, b). They accused the FFD3 of shifting the responsibility of financing development from developed countries to private finance (which increasingly includes foreign state-owned enterprises especially from China), while other means to mobilise resources such as creating a new intergovernmental UN tax body to address illicit outflows and tax evasion in developing countries were overruled. Developing countries grudgingly endorsed commitments to rationalise fossil-fuel subsidies and restructure taxation to widen tax bases, both of which were pro-business policies to create an ‘enabling environment’. This reflected the disparity between developed and developing countries at the negotiation table, and confirms the unequal power relations that continue to protect international finance and trade (Nardi, 2015).<sup>2</sup>

The CSOs disagreed with the AAAA’s uncritical endorsement of international trade to drive inclusive growth and poverty reduction, with no commitment to safeguard state capacity to regulate in the interests of its people and environment. This is a valid concern. According to the United Nations Conference on Trade and Development (UNCTAD), with more than 3,400 agreements in their International Investment Agreements database, 129 countries are currently embroiled in court cases with TNCs under the investor-state dispute settlement clauses in trade agreements.<sup>3</sup> The CSOs also cautioned against the enhanced role of the private sector, in PPPs and blended financing instruments, without an equally strong emphasis on the developmental role of the state.<sup>4</sup> One major critique was that the private sector will receive international public finance including Official Development Assistance (ODA) through PPPs but are not subjected to the conventions that states are bound to. The AAAA failed to endorse commitments to ensure the accountability of the corporate sector and multilateral development banks based on international human rights and environmental standards. Also absent is a sufficiently strong

---

<sup>2</sup> For points of contention between developed and developing countries at the FFD3, see closing statement of the Group of 77 and China (<http://www.g77.org/statement/getstatement.php?id=150716>).

<sup>3</sup> For more on International Investment Agreements, see the UNCTAD documentation <http://unctad.org/en/pages/DIAE/International%20Investment%20Agreements%20%28IIA%29/IIA-Tools.aspx>. There have been a total of 817 known ISDS cases as of July 2017 based on UNCTAD data (<http://investmentpolicyhub.unctad.org/ISDS>).

<sup>4</sup> For studies on the weaknesses of PPPs, see Chonghaile (2015) and Romero (2015).

recognition of social partners, workers and employers organisations, as equal players towards sustainable development.

The tensions in the FFD3 process reflect deep-cutting cleavages between business and society among development practitioners. Major development organisations such as the World Bank have adopted the value chain approach, especially the global value chain (GVC) and global production network (GPN) frameworks, to structure pro-poor, market-led development interventions. The GVC literature believes that if local producers are inserted into global value chains, the gains of globalisation can be spread out to reduce economic disparities (see, for example, Altenburg, 2007; Gereffi, 2014b). In the same vein, the AAAA is optimistic about the positive spill overs from foreign direct investment on development and encourages states to facilitate the integration of local enterprises, especially micro, small and medium-sized enterprises, into regional and global value chains. In contrast, CSOs have started a movement called the social and solidarity economy (SSE) movement which focuses on developing local businesses with community-sourced, locally-owned and self-managed cooperative financial institutions. SSE emerged out of heterodox beliefs that resist neoliberal globalisation strategies and advocate an environmentally sustainable “alternative to capitalism and other authoritarian, state-dominated economic systems” (Quiñones, 2015: p. 7).

In academia, these multi-stakeholder challenges prevail. The conflicting interests of actors are particularly well-captured in value chain research that examines the impact of global value chain participation on local communities. This is apparent in the in-depth case studies of both books, *Markets and Value Chains*. This review draws vital lessons from the studies because, in spite of the MDGs, hard-core poverty persists including among communities that have been participating in global value chains. The concerns of the CSOs are legitimate and this highlights the intricate problem of conceiving a model of development that is seen as just and effective by all segments of society.

A core issue that stands at the centre of these debates on linking transnational value chains and small local firms is the role of the state. The positions taken by the AAAA clearly reveal enduring neoliberalism, an ideology based on the free functioning of markets and trade liberalisation which keeps the state small and places power disproportionately in the hands of large businesses. The emphasis on creating ‘enabling environments’ remains narrowly defined by business interests. This review does not delve into the pros and cons of neoliberalism as those have been extensively discussed, but seeks to draw attention to the need for the field of

## The Problem of Promoting Equitable Development

development and the GVC discourse to acknowledge the impact of political economy on development and to integrate it in their analyses.

In order to examine the effectiveness of development strategies, value chain analyses must consider where power lies, not only within the chains but in a whole business system. Power asymmetries explain why local enterprises and workers continue to be mired in poverty although they have long established links to TNC-led global value chains. This examination of power is inevitably linked to the nature of the state, which is dependent on whether the state pursues a neoliberal or developmentalist model. This review focuses on only these two models of development, neoliberalism because of its global reach and the developmental state (or more broadly developmentalism) because it is one of the most robust concepts that has emerged to counter neoliberalism. Developmentalism and neoliberalism are “two of the most influential (political) economic paradigms of our time” (K.-S. Chang *et al.*, 2012: p. 5). International development has in fact debated the role of the state in promoting economic growth since the 1960s (Fritz and Menocal, 2007) and the conversation must continue.

To further this argument, this review dissects the rich data in the books. The following section briefly discusses development models and the fast-developing literature on global value chains. Next, this article draws attention to the contributions of both books in expanding the GVC framework, and also highlights the gaps in the books’ analyses. Finally, the conclusion argues for the merits of contextualising chain studies with national development strategies by the state.

### *III. From the Washington Consensus to Global Value Chains*

Over the 1970s and 1980s, neoliberal market-based explanations of export-oriented development, economic openness and small government occupied mainstream economic discourse (Balassa, 1971). This dominant ideological doctrine challenged the statist approach of the 1950s and 1960s and pushed for widespread adoption of free market policies with a strong belief in the efficiency of competition. Major state-owned assets were privatised globally to cut public debt and shrink the role of the incompetent state. A list of policies were encapsulated as the ‘Washington Consensus’ and advocated worldwide by influential international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF).

Policies advanced by the IFIs catalysed globalisation by deregulating economic sectors and labour, liberating finance, eliminating trade barriers, increasing foreign direct investments, and empowering the outsourcing of business activities. Dicken (1992) differentiates

‘globalisation’, a functional integration of internationally dispersed activities, from the earlier ‘internationalisation’ which saw the geographic spread of economic activities across national boundaries. Globalisation is characterised by tighter coordination between multinational ‘lead firms’ and local suppliers leading to increasing trade in intermediate products. Retailers and brand merchandisers with little or no internal production flourished while manufacturing firms began to outsource production to contract manufacturers in developing countries (Sturgeon 2009). In this environment, the roles of states were only to maintain trade openness and implement ‘horizontal’ policies that were not sector-specific.

But a series of case studies on the East Asian economies of Japan, South Korea, and Taiwan emerged to challenge the neoclassical free trade and the neo-utilitarian limited state. Their unprecedented economic growth and entry into global production and international trade, with steadily decreasing rates of poverty, stimulated a barrage of research to answer two key questions. Firstly, what factors can best explain this rapid industrialisation? Secondly, how did East Asian companies upgrade and improve their relative positions in the international division of labour (Gereffi and Wyman, 1990; Wade, 1990; Evans, 1995; Sturgeon, 2009)?

To answer these questions, scholars argued that the growth of East Asia was in fact spurred by state-led industrialisation (Johnson, 1982; Amsden, 1989; Wade, 1990; Evans, 1995). The developmental states had ‘embedded autonomy’ (Evans, 1995) to implement industrial policies, cultivating domestic enterprises by ‘getting prices wrong’ (Amsden, 1989), ‘governing the market’ (Wade, 1990), while also pursuing export-oriented policies which enabled home-grown enterprises to be well-positioned in the neoliberal global economy. ‘Developmentalism’ which underlies the economic models adopted by East Asian states became a broad concept to define ideas regarding the governance of strategic industrial and technological upgrading by the state within national boundaries, in collaboration with businesses (Thurbon, 2012).

The mainstream development agenda reluctantly acknowledged the success of East Asia in the 1990s and began to recognise a more positive governmental role in the pursuit of economic development, turning to the notions of governance and institution building (World Bank, 1989, 1991). However, scholars observe that the World Bank’s definition of governance and good institutions were constituted in neoliberal, market-friendly terms (Leftwich, 1993; Kiely, 1998; H.-J. Chang, 2002; Fine, 2011).

## The Problem of Promoting Equitable Development

This polarised debate continued into the twenty-first century, informed by two major crises. During the Asian financial crisis in 1997, developing economies previously held up as successful developmental states (South Korea, Thailand and Indonesia) collapsed under debt, necessitating IMF bailouts which were given in exchange for instituting neoliberal reforms. Developmental states were heavily criticised and the crisis appeared to cement neoliberalism as the dominant development model. In 2008 the second financial meltdown occurred, this time in developed economies. The crisis was largely attributed to unregulated debt-financing in the neoliberal economy (Fine, 2011; Yeung, 2014). Consequently, institutions that were once strong proponents of neoliberal macroeconomic policy prescriptions began searching for a new growth strategy.

At the height of the popularity of the developmental state literature, a separate field of study pursued parallel efforts to understand economic growth, but with a focus on the global organisation of industries instead of the domestic economy. The work on GVCs strove to examine how to improve the positions of regions, countries, localities and enterprises in the global economy (Gereffi, 2014b; Neilson, 2014). As globalisation rendered country-level trade statistics insufficient to explain and predict the changes in production and trade, there was a need for better measurement of value creation. The multidisciplinary effort to meet this need resulted in methodologies and theories built surrounding the network required to deliver a product or service from its conception to markets, including design, sourcing of inputs, manufacturing, assembly, marketing, and so forth. Sakuda and Afonso (2012) compiled a list of 15 concepts used in international business and studies to refer to this overall network, including international production networks, international strategic alliances and global supply chains, with minor differences in the way they are conceptualised or the themes that they address. This paper will focus on the GVC and GPN approaches and refer to the linkages as value chains.

The GVC framework was expanded from the global commodity chain (GCC) framework by Gereffi and Korzeniewicz (1994) that centred on producer-driven and buyer-driven commodity chains. Although GCC/GVC analysis consists of four top-down dimensions (input-output analysis, geographical structure, governance, and institutional framework) and one bottom-up component (upgrading) as outlined by Gereffi and Fernandez-Stark (2011), only the concepts of 'governance' and 'upgrading' have been focused on. Thus, the GPN literature emerged as a critique to the GVC and strived to incorporate wider institutional actors in its analyses based on the concept of 'strategic coupling' between actors. Another initiative is 'Capturing the

Gains' which emphasises social and environmental upgrading. Besides these major strands of work on value chains, numerous other university-based centres, international donor organisations and research platforms undertake research on relational linkages in a variety of sectors (see UNIDO, 2009; Gereffi, 2014a).<sup>5</sup>

The GVC framework's heuristic nature and policy orientation catapulted the appeal of the chain metaphor in development studies in two directions, as a broad critical analysis on capitalism and as a technical guideline to address industry or development problems. The latter quickly grew in acclaim, picked up by IFIs and international development organisations eager for a new policy paradigm beyond the Washington Consensus, particularly a framework that promotes global trade openness. Handbooks or strategy papers on 'value chain analysis' or 'value chain development' mushroomed to meet different objectives, from industrial development to enterprise promotion, from creating decent work for the poor to addressing gender equality.<sup>6</sup> The books reviewed here are part of a fast growing body of literature that expands the GVC approach to incorporate social objectives to market-oriented development interventions.

However, the practical application of the GVC framework has diverged from academic thinking. In a study on Indonesia, Neilson (2014) critiqued development practitioners for selectively interpreting the GVC ideas to reinforce their commitments to neoliberalism and a market-driven paradigm, thereby enhancing the penetration and dominance of TNCs into local economies and the lives of the poor. GVC studies also tend to under-emphasise the role of the state. This could be due to the influence of the world systems approach on the GVC literature, which assumes that "class relations and character of the state are consequences and not determinants of position in the international division of labour" (Evans, 1995: p. 252).

Neilson urged the need to refocus chain interventions based on the framework back to its key tenets including the "institutional settings of the chain and the developmental role of the state; processes of establishing and exerting power throughout the chain; and a concern for global-scale processes that shape processes of inclusion and exclusion for states, communities, and individuals" (Neilson, 2014: p. 60). Likewise, key GVC scholar Gereffi concurred that the GVC literature is "rooted in assumptions that are highly critical of the neoliberal paradigm"

---

<sup>5</sup> Research on the GVC approach is led by the Global Value Chains Initiative (GVCI) under the Center on Globalization, Governance and Competitiveness (CGGC) at Duke University, while the Global Production Networks Center at the National University of Singapore spearheads GPN research.

<sup>6</sup> See Gereffi (2014b) and Neilson (2014) for lists of the value chain handbooks.

(Gereffi, 2014b: p. 501). The framework challenges the mainstream view of development by highlighting the need to analyse power dynamics in global industries as embodied in the relationships between lead firms or global institutions and local communities. Indeed, another prominent GVC scholar Sturgeon asserts that the Washington Consensus policies for macroeconomic stability and economic liberalisation cannot address the concerns of workers, communities, and industries that participate in or want to enter global value chains (Sturgeon 2009).

This review complements these ideas. The pervasiveness of neoliberal narratives creates an urgent need for development scholars to study development models alongside value chains. Placing value chain analyses in the context of development models can provide perspectives on the structural factors that lead to the persistence of poverty and social exclusion along value chains. Likewise, the nuanced findings of a rigorous chain analysis can present valuable empirical evidence to strengthen the conceptualisation of the models of development. The following section will present this argument based on the case studies in the books. Crucially, the case studies show that often, neoliberalism and developmentalism do not replace one another but interact within a mixed model in complex ways.

#### **IV. Power Distribution in Value Chains and the Model of Development**

*Markets* is essentially a practical guide based on ideas developed from Kaplinsky and Morris (2001) as well as empirical evidence from action research projects in Southeast Asia, South Asia and Africa to examine the distribution of value across production chains and explore whether poor rural producers, through upgrading, can engage the market, reduce poverty and bring benefits to women without damaging the environment. The key aims of the projects included developing well-established, globally-traded products wanted by lead firms (India, Vietnam and Senegal), increasing revenues for products sold in domestic markets (Nepal/India and Philippines), and commercialising subsistence food crops (Tanzania and Mali).

The GVC framework categorises upgrading into process, product, functional, and inter-chain upgrading (Humphrey and Schmitz, 2002). These strategies are limited when it comes to a rural and subsistence household in a developing country, hence the authors constructed a conceptual framework that emphasised horizontal coordination among actors with similar functions, as well as vertical coordination between upstream and downstream actors. Upgrading is thus broadened to include any “desirable change in participation that increases rewards and/or reduces exposure to risk” (Mitchell *et al.*, 2011: p. 24), in terms of finance as well as poverty,

gender and environment. The projects in India, Vietnam, Nepal and the Philippines reported successful outcomes such as higher incomes, better market prices, increased outputs and improved processes due to effective upgrading and negotiation for longer contracts between actors.

Nevertheless, *Markets* conceded that dealing with value chain inclusion as a management or competency issue downplays the asymmetrical relations in value chains. Small producers have little influence over key risk factors and there is a need to take into account the highly asymmetrical power relations especially in agro-food value chains. In the assessment of the implications of upgrading, the authors considered the full range of livelihood activities and external networks that participants depend on. However, these baseline conditions of the communities did not provide sufficient information on the institutional and economic frameworks that influence the value chains.

*Markets* also operationalised the GVC concept of governance, categorised by Kaplinsky and Morris (2001) as legislative (setting the rules), judicial (implementing the rules) and executive (enabling others to follow the rules) governance. Governance refers to the “authority and power relationships that determine how financial, material and human resources are allocated and flow within a chain” (Gereffi and Korzeniewicz, 1994: p. 97). These power relations are inherently dependent on whether the chain touches the ground within a neoliberal or developmental state. While neoliberal policies such as privatisation and trade liberalisation tend to place decision-making power disproportionately in the hands of businesses, the developmental state subscribed to resource allocation through state policy planning (Weiss, 1998). Pragmatically, most countries sit on a continuum between the two extremes, and in more ideal cases, power is balanced between not only public and business sectors but also with CSOs, communities and other special interest groups. The nature of the state, national development policies, institutions and the consequent power balance will ultimately impact the integration of the poor into viable value chains.

*Value Chains* captured the embeddedness of value chains well. The book examined how the outcomes of integrating smallholders, producers, and workers into global value chains is conditional on historical contexts, local development processes and socioeconomic relationships. The chapters were divided amongst three sections and employ frameworks from different disciplines, such as business studies and political science, to ask theory-driven questions about value chains in Southeast Asia, Latin America, and Sub-Saharan Africa. Part One of the book challenged the assumption that insertion into global value chains is beneficial

for poor communities and explored theories that can unpeg the terms of participation of these actors in value chains. Part Two used the GPN approach and business systems theory to study the alignment of value chains with local non-chain actors, *i.e.* state agencies, NGOs and local institutions. Part Three examined partnerships to facilitate smallholder inclusion, which is an important area of research with the expanding popularity of PPPs in development. However, despite considering local business systems in selected chapters, *Value Chains* also did not actively engage with models of development. The following sub-sections will discuss the various insights drawn from the case studies in the books.

### **1. Dealing with the Role of the State**

*Markets* noted a global policy shift from the Washington Consensus approach towards a “state intervention approach of ‘new development economics’ and the post-Washington Consensus” (p. 15). The agricultural sector is seeing a shift from generating supply-side responses based on free market prices to a more targeted approach to create sustainable ties between producers and buyers, assisted by the government. However instead of elaborating on this ‘new development economics’ and showing how the state can spearhead value chain development, the authors relegated the state to a supporting role.

*Markets* largely attributed the lack of success in Senegal, Tanzania and Mali to technicalities, such as the weak capacity of the implementing team. The research in Senegal’s octopus industry was plagued by poor baseline analysis, planning, implementation and monitoring, leading to inaccurate figures and inability to design an effective project to overcome constraints on rural livelihoods and measure its impact. The cassava project in Tanzania failed to create a new marketing and processing model because the academic team was inexperienced with value chain upgrading and engaging private sector buyers. In Mali’s fonio project, a lack of data on household livelihood outcomes affected the measurement of project outcomes, while weak market analysis led to decreased average profit as more women took part in the project but the volumes sold did not increase concurrently. Without taking into account the model of development, *Markets* ended up downplaying the importance of state action in the successes of developmental Southeast and South Asia (namely Vietnam, the Philippines, India, and Nepal), and overlooking the glaring absence of the state in the more neoliberal Africa, namely Mali, Tanzania and Senegal.

A large portion of the chapter on governance in *Markets* focused on the need for NGOs and communities to overcome state failure, with consistent negativity towards the government.

Nepal's regulatory regime aimed at protecting resources and communities from exploitation but ended up limiting the collection and marketing of bay leaves and dictating who benefits from chain activities; India's tax system hindered smallholder production of incense sticks; while regulations such as roadblocks which were meant to prevent illicit smuggling created avenues for corruption in both countries. A badly planned One-Town-One-Product in the Philippines met with problems when the chosen product was not price competitive in major domestic markets for five months in a year. The Vietnam government created standards for fish farmers without proper public consultations and no price incentive to encourage adherence. Also, a ban in Tanzania of cassava exports contributed to food price hike, while conversely, Senegal's absent state failed to regulate the exploitation of common resources such as fisheries. These are important observations on the limitations of state action. But a closer examination will reveal that the cases in *Markets* show that the participation of the state is essential for poverty eradication. Community-based collective action is more difficult where the state has completely withdrawn; value chain interventions are clearly more effective in developmental states as compared to neoliberal ones. The most striking impact on poverty among the action research projects occurred when government overturned bans on low income collectors accessing natural resources in Nepal and India. An over-zealous regulatory state in Nepal and India proved more effective than an absentee state in Senegal, albeit with the need for intense lobbying and engagement. Besides that, the state in the Philippines assisted with building roads and processing plants, and the Vietnamese state provided tax concessions. Even the underperforming Malian state provided better fonio seeds and Tanzanian state contributed high yielding cassava for farmers.

*Value Chains* is likewise constrained in its conceptualisation of the state. An important contribution of the book is that globalisation does not erase the specificities of institutions, culture and industry. Business systems describe how firm-market relationships develop interdependently with dominant social institutions embedded in territorial societies. The approach is used to explain the differences in economic organisation across Asia in the nature of the state, state-business relationships and the firm (Whitley, 1999), themes that also emerge in development models. However, despite adopting a useful analytical tool and declaring that "the state plays a dominant role in defining the institutions governing global production networks" (Helmsing and Vellema 2011: 12), the book qualified the role of states in limited terms such as public regulation as well as providing legitimacy and support to the private sector.

## The Problem of Promoting Equitable Development

There were three different views of state action among the chapters in *Value Chains*. Most chapters indicated that state intervention was a hindrance while others were descriptive and indifferent about the role of the state despite clear opportunities to discuss its role in development. Only one chapter in *Value Chains* acknowledged the importance of the state. Monnereau and Helmsing's historical analysis of lobster chains in Belize, Jamaica and Nicaragua showed that state intervention in the institutional set-up of the industry affected the position of fishers. In their analysis of the 2008 economic crisis and its consequences, even when all three countries did not provide additional assistance to the fishers, the Belize government's pro-development organisation of locally-owned cooperatives for processing and exports effectively protected small scale fishers, more so than the reliance on foreign companies in neoliberal Nicaragua and the mixed-model Jamaica. State involvement had created a more equitable distribution of resources which buffered the impact of the crisis.

Drawing from the literature on the developmentalist model would have allowed the authors to explore the possibilities on the role of the state and provide more clarity in policy recommendations. After all, even market-oriented policies are advanced through the state (Weiss, 1998). The manner in which the state adapts and responds to changes in international and domestic dynamics renders it an indispensable unit of analysis when studying economies even in the advent of globalisation. The books clearly expressed caution in advocating state action, while promoting market-driven governance by lead firms without similarly critical analysis (except in Pegler *et al.*'s chapter). They end up with varying conceptualisations of the role of the state, occasionally acknowledging its crucial role while focusing only on its failures. Consequently, state-driven development was underexplored.

### **2. The Impact of Neoliberalism**

*Markets* admitted that governance by the state can include the active promotion of specific value chains or provision of support for marginalised groups or regions to participate in economic activity. Nevertheless the authors express apprehension as many states that consider themselves as developmental ended up implementing bad policies with regressive socio-economic impacts. In the book, the role of the state was rightly cautioned. Importantly, the implications of neoliberalism should have been similarly addressed. Instead, the discrepancies in research output between the Asian and the Sub-Saharan African cases were attributed to operational factors. The authors noted that many business development services providers in rural Africa were inefficient particularly for agriculture. The examination of the models of

development in Mali, Tanzania and Senegal could provide insights on why the projects failed to generate better incomes or prices for the farmers and fishers. The studies would have been enriched by the analyses of the retreat of the states under structural adjustment policies, which would explain the weak support system that leaves African producers more vulnerable. For example, the gap left by the Senegalese state in the fisheries sector led to uncontrolled expansion of fishing efforts and the creation of a monopsony where all fishers and traders sell to one processing and exporting plant.

The chapter by Ruben and Verkaart in *Value Chains* provided an overview of the negative implications of neoliberalism but unfortunately they did not relate these to their findings. The authors compared the impact of coffee standards on producers in Tanzania and Uganda. Structural adjustment reforms in the late 1980s saw the closure of marketing boards, the abolishment of the International Coffee Agreement where producer countries agreed to control supply to stabilise coffee prices, and increasing volatility of prices. Power became concentrated at the marketing and processing stages, in monopolies by large processors, leading to a fall in producers' incomes. In 2001, the top ten firms controlled seventy percent of sales in Uganda. However, producers in Uganda were found to achieve better prices through Utz-Certified quality upgrades, compared to Tanzania's vertically integrated exporters, cooperative unions and state-controlled auctions, which were unable to generate attractive price margins for Fair Trade certified coffee. The authors concluded that the free market environment in Uganda was more favourable than in Tanzania, instead of probing deeper into the consequences of neoliberalisation.

Likewise, Laven's study on cocoa observed that neoliberalisation in Cameroon and Nigeria severely impaired producers while the Ghanaian state's partial liberalisation managed to mitigate risk for producers and international buyers. She created a robust framework that integrated value chain coordination and state-market coordination. However the state was seen as a stumbling block to the vertical coordination and greening of global cocoa chains. Laven viewed further liberalisation as advantageous, instead of more engagement with the state which was proven effective in *Markets'* cases on India and Nepal. Both books stopped short of critically evaluating the impact of neoliberalisation, as *Markets* also called for India and Nepal to liberalise without any further qualification.

In a study of thirteen development partnerships, Bitzer *et al.* referenced the state briefly, stating possible future analysis on how state support can impact partnerships. The authors did engage different types of models of development, showing that a more equitable model, 'Making

Markets Work for the Poor', led to higher involvement of NGOs and producer organisations, while embedded liberalism allowed lead firms to play a stronger role. However, the authors found that the facilitation of smallholder inclusion in value chains were rarely backed by governments but without probing why. A deeper inquiry will reveal that the places studied such as Peru, South Africa, West Africa and sub-Saharan Africa all underwent heavy neoliberal restructuring.

### **3. Globalisation or Localisation?**

In line with proponents of globalisation, Yeung (2014) critiqued the use of the state as a central analytic focus as it does not allow for bottom up firm-level perspectives. He argued that inter-firm dynamics that articulate domestic firms into global production networks are more crucial than developmental state-led industrial policies. When comparing state and lead firm interventions in *Value Chains*, Oosterveer *et al.* found that value chains vertically controlled by lead firms appear more likely to successfully upgrade, a point that *Markets* supports. They examined the role of domestic institutions and global value chains respectively in the greening of agro-food chains. In Vietnam, weak government enforcement and poor linkages with global value chains provided no incentive to stop using dangerous pesticides in agriculture. The Thai fisheries sector managed to switch to sustainable practices with support from the state and large domestic processing and export plants, while the Benin organic cotton industry stayed afloat through the backing of a local NGO and marketing organised through transnational NGOs after state agencies withdrew due to structural adjustment reforms. The authors concluded that pressure from global chains were more effective at greening agro-food chains.

Similarly, Muradian *et al.* found that lead firms were more effective than other actors at aligning market and socio-cultural dynamics to create viable chains. The demand-driven development of perfume from plant essence in Ecuador was successful and even reached export markets despite weak policy support as there was a high degree of coordination between the lead firm and producers in determining the product's attributes and good marketing of the product. Conversely, a project with substantial state support to develop sauces in Colombia struggled to sustain its presence in the national market because of harvesting losses, logistical mismatch with buyers, and marketing challenges. State focus on supply capacity led to an over-dependency of producers, suggesting that the empowerment of the farmers is insufficient to generate economic outcomes. Yeung argues that industrial transformation of a country is no longer about state-led policy in specific industries and 'picking winners' but about 'fixing

network and opportunity failures' through 'strategic coupling' of domestic firms in global networks – what Gereffi (2014a) calls 'GVC-oriented industrial policies'.

However, in terms of the creation of enterprise opportunities for the most excluded in newly industrialising economies, in fact the rules of industrial policy for late industrialisation are still relevant. While participation in the international multilateral trading system is becoming inevitable with the proliferation of TNCs, *Markets* noted that it was local and regional chains that remain most relevant to poor producers. Interestingly, five of the seven projects in *Markets* involve products by secluded and rural communities that target domestic markets. In the case of the globally traded *Pangasius* catfish in Vietnam, small scale fish farmers managed to improve their earnings by abandoning the export chain and targeting domestic consumption by cultivating indigenous fishes, going against the assumption of neoliberal globalisation. While *Value Chains* showed that standards and certification (for ethical coffee or sustainable fisheries) provide opportunities for smallholders to insert themselves in global value chains, buyer-driven standards for *Pangasius* in Europe ended up excluding the most vulnerable producers. Export markets tend to be volatile with high barriers of entry, putting producers at higher risks.

In *Value Chains*, Pegler *et al.* examined the organisation of workers in the Philippines (asparagus for Dole Food), Brazil (tomatoes for Unilever) and Pakistan (cotton for the country's spinning mills). The authors conceptualise value chains in terms of the power over hiring, task delegation and remuneration. Linkages with transnational buyers did not guarantee labour rights, skills upgrading or better job opportunities as commonly advocated, but rather resulted in weakened bargaining power of workers through de-skilling, contracting of labour management to small-scale growers, or co-optation of workers to reduce unionisation risks without guarantee of better labour standards. These 'free' labour markets also tend to tie particular groups to labour intensive, lowly paid jobs especially women, children and migrants, creating segmentation of the labour force.

The cases show how neoliberal globalisation facilitates the accumulation of immense wealth by lead firms along with the power to dictate terms of participation. Pegler *et al.* observe that work on the social structures of accumulation uncovered 'spatialisation' as a new form of labour control in the 1970s where employers can threaten to relocate if challenged. Most temporary work for tomato pickers in Brazil will be lost if Unilever takes up the suggestion to mechanise field cleaning and picking, another measure for labour disciplining. In domestic value chain development or where lead firms are exploitative, the role of the state becomes

significant. Even in the case of chain upgrading by lead firms, Oosterveer *et al.* reported that producers saw better outcomes when there was active engagement with the state.

#### **4. Power Distribution among Multi-stakeholders in Models of Development**

The books are generally market-oriented and have a favourable view of liberalisation and participation in global markets. However further analyses of development models would enable the authors to apply to neoliberalism the same critical lens that they accord to state intervention. Where the state takes on an arm's length role, value chain forces are expected to become more powerful. But while global value chain insertion holds potential for growth, producers risk exploitation if their positions are marginalised from the point of entry. Considering models of development will also enable the authors to envision a larger and more positive role for the state in driving inclusive policies without losing the critical perspective.

Analysing the nature of the state and the dynamics between neoliberal and developmental policies allows the examination of how power is distributed in a development model and how these impacts the inclusion of poor producers into value chains. The studies reveal the complexities on the ground where development models are often fluid. In the study by Muradian *et al.*, both Ecuador and Colombia had undergone structural adjustment but the Colombian state was still actively promoting its bio-trade industry. But the chapter's framework from five theories (GVC, GPN, systems of innovation, convention theory, actor network theory) did not grapple with this question. The consequences of structural adjustment on the socialist Vietnamese state could have also provided insights on the state's role in value chain interventions in both books.

The examination of models can enrich value chain analysis. Likewise, case studies can contribute to the development state literature. Both books provided cause for concern in advocating the power of the state to develop. Laven put forward that developing countries have limited state capacity to drive pro-poor agricultural development especially in Africa, and the state is often not a neutral enabler as it represents the interests of certain groups, classes or sectors; the vested interests of politicians loom large. The developmental state literature also points to the rise of corruption and rent-seeking with growing state intervention in East Asian economies. This leads to the question of which model of development or actor can best support poor producers without perpetuating power asymmetries.

*Markets'* main objective was to show that the rural poor, with support, can be active economic agents by working together, organising community-based management of natural resources

and upgrading to produce better products. But with whose support? The various authors highlighted that chain relationships are highly competitive, even conflicting. Producer upgrading requires political pressure on organisations, firms, regulators and others to mobilise resources, which is often beyond the capacity of small producers. A compelling case for a strong role of the state in poverty alleviation was presented by Studwell (2013). In his study on the East Asia, he argued that the countries addressed widespread poverty by carrying out land reform and adopting labour intensive household farming as their agricultural policy. In *Value Chains*, Bitzer *et al.* agree that smallholders dominate agricultural production in developing countries, and their yields per hectare exceed large plantations. The East Asian states further supported farmers with infrastructure development and the provision of business development services for inputs, storage, and sales.

Alternatively, several studies in the two books revealed successful interventions that heavily involved NGOs. But NGOs have limited resources and logically work with communities more likely to succeed, thus leaving the weakest to fend for themselves (Studwell, 2013: p. 46). *Markets* also expressed concern that NGO support may cause the poor to be dependent. As for private sector interventions, although many studies in *Value Chains* suggested successful linkages with lead firms, *Markets* observed that the case studies of rural subsistence farmers showed little evidence of the private sector filling the gap in agricultural extension services. Also Monnereau and Helmsing, like Pegler *et al.*, suggested that internationally-oriented industries are often highly segmented and inequitable.

Extending the concept of institutional complementarity by Hall and Soskice (2001) to partnerships, Bitzer *et al.* explained that complementarity deals with failures within the spheres of the state, the markets and civil society, whereas single actor solutions will always be inadequate. The bay leaf project in *Markets* showed that interest groups such as poor producers and buyers, retailers or TNCs can be brought together in agreement if they are transparently moderated by a neutral and respected entity, a role that states can play in collaboration with NGOs. The differing logics that underline states and private firms inevitably create divergent objectives. Partnerships must consist of continuous dialogue between states, firms and other organisations to achieve mutually beneficial outcomes and ensure a balanced the distribution of power, and this renders the state a key actor even amidst globalisation (Low and Tijaja, 2013). States are increasingly seen as one of the most important factors affecting development in the poorest countries, and the development field would do well to engage actively with it.

## V. Conclusions

Both *Markets* and *Value Chains* did well to adapt the GVC framework to address poverty by focusing on small scale producers or workers, local and regional chains, and local institutions. While *Markets* paid attention to the capacity building of production and local trade governance structures, *Value Chains* explored the themes of terms of inclusion, endogenous development and partnerships. The case studies offered a unique window to examine critical issues that smallholders and workers face daily within developmental and neoliberal economic systems, as well as presenting valuable comparative perspectives across the developing regions of Southeast Asia, South Asia, Africa and Latin America.

The issues of economic growth, market development, and upgrading which were covered are similar to those dealt with by the developmental state literature. The developmental state in its original context in Japan involved a highly productive social compact between the state, businesses and labour, and this is where lessons from industrialised East Asia, once comprising extremely poor countries, can prove useful. After all, the Japanese *keiretsu*, Korean *chaebols* and Taiwanese small and medium enterprises (SMEs) are examples of extremely different business systems operating under a developmental state model; all three systems involve ties between SMEs and big businesses directed by the state. Similarly the case studies in both books indicated that a present state is more crucial for development than an absent state.

Developmental and neoliberal paradigms provide important insights into power distribution at the global, national and local levels. Power asymmetries are not only inherent in development models or global value chains, but also in the FFD3 process and other multilateral negotiations. The SDGs can only be truly effective if they address the power asymmetries in economic governance, international trade and global financial that systemically perpetuate economic inequality and unjust social and environmental outcomes (Hujo and Koehler, 2015). The pervasiveness of neoliberalism and the implications of both models must be addressed, specifically when considering the type of development strategies that can adequately address persistent poverty and under-development of rural industries.

The books showed that both state-led and TNC-led development can be successful but there is an urgent need to ensure fair distribution of power in either strategy. However, without considering the effect of development models on value chain development, the books constrained their analyses with an inconsistent pessimism and distrust of state action, and an uncritical support of liberalisation. In the same vein, the AAAA's reliance on the private sector to

drive economic growth and the post-2015 goals is essentially a rehash of the privatisation policy, except that the government remains a partner instead selling the businesses (Glennie 2014). Without critically reviewing neoliberal policies and creating mechanisms to ensure fair power distribution between the partners and allow for checks and balances, the partnerships are at risk of privatising profits and socialising risks, as has happened with many privatised entities. Overcoming these inequalities will require difficult compromises from all actors, not only from the weakest ones.

In the continuous search for developmental solutions, a historical perspective of value chains taking into account development models is important because there is currently no dominant model or new political ideologies that can inform economic development almost one decade since the 2008 crisis. Many streams of scholarship continue to develop, such as the nation-state-centred literature on the developmental state and business systems, the firm-centric varieties of capitalism, the sector-oriented GVC/GPNs and the community-based SSE. Developmental economics, which was once pronounced dead by neoliberals, is back on the table. Since statism and free markets have been ruled out, and both capitalism and socialism have inherent weaknesses, the focus is now on partnerships and the degree to which states and capital should help societies adjust to global economic changes (Fukuyama, 2012). Correspondingly, the narrative now among development practitioners is on improving livelihoods, not who delivers it. The key is to find a workable balance, a model that recognises power asymmetries and addresses it.

### References

- Altenburg, T. (2007) *Donor approaches to supporting pro-poor value chains*. Donor Committee for Enterprise Development, Working Group on Linkages and Value Chains.
- Amsden, A. (1989) *Asia's next giant: South Korea and late industrialization*. New York: Oxford University Press.
- Andriesse, E., Beerepoot, N., van Helvoirt, B., and van Westen, G. (2011) Business systems, value chains and inclusive regional development in South-East Asia. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Balassa, B. (1971) Industrial policies in Taiwan and Korea. *Weltwirtschaftliches Archiv*, **106**, 55-77.
- Bitzer, V., van Wijk, J., Helmsing, A. H. J., and van der Linden, V. (2011) Partnering to facilitate smallholder inclusion in value chains. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Business for 2030 (2015) *The evolving role of official development assistance and the rise of blended finance*. <http://www.businessfor2030.org/2030explained-1-1/#ffd-anchor-link-4>

## The Problem of Promoting Equitable Development

- Business Sector Steering Committee (2015) *Business Forum Summary*. [www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/04/Business-Forum-Summary.pdf](http://www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/04/Business-Forum-Summary.pdf)
- Cann, O. (2014) *World Economic Forum and OECD launch development finance initiative*. <https://www.weforum.org/press/2014/05/world-economic-forum-and-oecd-launch-development-finance-initiative/>
- Chang, H.-J. (2002) *Kicking away the ladder: Development strategy in historical perspective*. London: Anthem Press.
- Chang, K.-S., Fine, B., and Weiss, L. (2012) Introduction: Neoliberalism and developmental politics in perspective. In K.-S. Chang, B. Fine and L. Weiss (eds.), *Developmental politics in transition: The neoliberal era and beyond*. New York: Palgrave Macmillan.
- Chonghaile, C. N. (2015) *Addis Ababa outcome: Milestone or millstone for the world's poor?* *The Guardian*. <http://www.theguardian.com/global-development/2015/jul/16/financing-for-development-summit-outcome-addis-ababa-milestone-millstone-poverty>
- Civil Society Forum (2015a) *Declaration from the Addis Ababa Civil Society Forum on Financing for Development*. <https://csoforffd.files.wordpress.com/2015/07/addis-ababa-cso-ffd-forum-declaration-12-july-2015.pdf>
- Civil Society Forum (2015b) *Third FfD failing to finance development: Response to the Addis Ababa Action Agenda on Financing for Development*. <https://www.globalpolicywatch.org/blog/2015/07/16/civil-society-response-agenda-financing-development/>
- Dicken, P. (1992) *Global shift: The internationalisation of economic activity*. London: Paul Chapman Publishing.
- Evans, P. (1995) *Embedded autonomy: States and industrial transformation*. Princeton: Princeton University Press.
- Fine, B. (2011) *Locating the developmental state and industrial and social policy after the crisis*. The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development. Background Paper No. 3: UNCTAD.
- Fritz, V., and Menocal, A. R. (2007) Developmental states in the new millennium: Concepts and challenges for a new aid agenda. *Development Policy Review* **25**, 531-552.
- Fukuyama, F. (2012) The future of history: Can liberal democracy survive the decline of the middle class? *Foreign Affairs*, January/February 2012 Issue.
- Gereffi, G. (1999) International trade and industrial upgrading in the apparel commodity chain. *Journal of International Economics* **48**, 37-70.
- Gereffi, G. (2014a) A global value chain perspective on industrial policy and development in emerging markets. *Duke Journal of Comparative and International Law* **24**, 433-458.
- Gereffi, G. (2014b) Global value chains in a post-Washington Consensus world. *Review of International Political Economy* **21**, 9-37.
- Gereffi, G., and Fernandez-Stark, K. (2011) *Global value chain analysis: A primer*. Duke University: Center on Globalization, Governance and Competitiveness [http://www.cggc.duke.edu/pdfs/2011-05-31\\_GVC\\_analysis\\_a\\_primer.pdf](http://www.cggc.duke.edu/pdfs/2011-05-31_GVC_analysis_a_primer.pdf)
- Gereffi, G., and Korzeniewicz, M. (1994) *Commodity chains and global capitalism*. Westport, CT: Praeger.
- Gereffi, G., and Wyman, D.L. (1990) *Manufacturing miracles: Paths of industrialization in Latin America and East Asia*. New Jersey: Princeton University Press.
- Gerrefi, G., Humphrey, J., and Sturgeon, T. (2005) The governance of global value chains. *Review of International Political Economy* **12**, 78-104.

- Glennie, J. (2014) How silver-tongued multinationals can win trust in development circles. *The Guardian*. <https://www.theguardian.com/global-development/poverty-matters/2014/apr/29/multinationals-business-global-development-regulation>
- Hall, P. A., and Soskice, D. W. (2001) *Varieties of capitalism: The institutional foundations of comparative advantage*. Oxford: Oxford University Press.
- Harvey, D. (2005) *A brief history of neoliberalism*. Oxford: Oxford University Press.
- Helmsing, A.H.J., and Vellema, S. (2011) Governance, inclusion and embedding: Raising the issues. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Helmsing, A.H.J., and Vellema, S., eds. (2011) *Value Chains, Social Inclusion and Economic Development: Contrasting Theories and Realities*. London: Routledge, 294 pp.
- Hospes, O., and Clancy, J. (2011) Unpacking the discourse on social inclusion in value chains. In A.H.J. Helmsing and S. Vellema (eds.), *Value Chains, Social Inclusion and Economic Development: Contrasting theories and realities*. Oxon: Routledge.
- Hsieh, M.F.-Y. (2005) *The East Asian miracle revisited: The Taiwan-South Korea comparison based on a case study of the bicycle industry*. McGill University, Canada: Ph.D. dissertation.
- Hujo, K., and Koehler, G. (2015) *The sustainable development agenda: From inspiration to action Beyond 2015* Brief 06. Switzerland: UNRISD.
- Humphrey, J., and Schmitz, H. (2002) How does insertion in global value chains affect upgrading in industrial clusters? *Regional Studies* **36**, 1017-1027.
- Johnson, C. (1982) *MITI and the Japanese miracle: The growth of industrial policy, 1925-1975*. Stanford: Stanford University Press.
- Kaplinsky, R., and Morris, M. (2001) *A Handbook for Value Chain Research* IDRC [http://asiandrivers.open.ac.uk/documents/Value\\_chain\\_Handbook\\_RKMM\\_Nov\\_2001.pdf](http://asiandrivers.open.ac.uk/documents/Value_chain_Handbook_RKMM_Nov_2001.pdf)
- Kiely, R. (1998) Neo liberalism revised? A critical account of World Bank concepts of good governance and market friendly intervention. *Capital and Class* **64**, 63-88.
- Lane, C. (2008) National capitalism and global production networks: An analysis of their interaction in two global industries. *Socio-Economic Review* **6**, 227-260.
- Laven, A. (2011) The Ghanaian state and inclusive upgrading in the global cocoa chain. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Lee, Y.-S., Heo, I., 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**, 102-129.
- Leftwich, A. (1993) Governance, democracy and development in the Third World. *Third World Quarterly* **14**, 605-624.
- Low, P., and Tijaja, J. (2013) *Global value chains and industrial policies E15Initiative*. Geneva: International Centre for Trade and Sustainable Development (ICTSD), World Economic Forum.
- Mitchell, J., and Coles, C., eds. (2011) *Markets and Rural Poverty: Upgrading in Value Chains*. Oxon: Earthscan, 268 pp.
- Mitchell, J., Shepherd, A., and Keane, J. (2011) An introduction. In J. Mitchell and C. Cole (eds.), *Markets and rural poverty: Upgrading in value chains*. Oxon: Earthscan.
- Monnereau, I., and Helmsing, A. H. J. (2011) Local embedding and economic crisis: Comparing lobster chains in Belize, Jamaica and Nicaragua. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.

- Muradian, R., Verschoor, G., Bolivar, E., and Ochoa, G. (2011) Building inclusive value chains in biotrade: A comparison of two cases from South America. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Nardi, J. (2015) *Addis Ababa: Failing to finance development*. <http://www.ripess.eu/addis-ababa-failing-to-finance-development/>
- Neilson, J. (2014) Value chains, neoliberalism and development practice: The Indonesian experience. *Review of International Political Economy* **21**, 38-69.
- 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**, 1-8.
- Oosterveer, P., Pham, V.H., and Glin, L.C. (2011) Governance and greening global agro-food chains: Cases from Vietnam, Thailand, and Benin. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Pegler, L., Siegmann, K.A., and Vellema, S. (2011) Labour in globalized agricultural value chains. In A.H.J. Helmsing and S. Vellema (eds.), *Value Chains, Social Inclusion and Economic Development: Contrasting theories and realities*. Oxon: Routledge.
- Quiñones, J., and Benjamin R. (2015) *Social and solidarity economy in Asia: A South-South and triangular cooperation perspective*. Geneva: International Labour Office.
- Rodrik, D. (1997) *Has globalization gone too far?* Washington, DC: Institute of International Economics.
- Romero, M. J. (2015) What lies beneath? A critical assessment of PPPs and their impact on sustainable development. Brussels: European Network on Debt and Development.
- Ruben, R., and Verkaart, S. (2011) Comparing fair and responsible coffee standards in East Africa. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Sakuda, L.O., and Afonso, F. (2012) *Global value chains, global production networks: Towards "Global NetChains" synthesis?* Paper presented at the the 16th Cambridge International Manufacturing Symposium, Cambridge.
- Studwell, J. (2013) *How Asia works: Success and failure in the world's most dynamic region*. New York: Grove Press/Atlantic Monthly Press.
- Sturgeon, T. (2009) From commodity chains to value chains: Interdisciplinary theory building in an age of globalization. In J. Bair (ed.), *Frontiers of commodity chain research*. Palo Alto, CA: Stanford University Press.
- Thurbon, E. (2012) From developmentalism to neoliberalism and back again? Governing the market in Australia from the 1980s to the present. In K.-S. Chang, B. Fine and L. Weiss (eds.), *Developmental politics in transition: The neoliberal era and beyond*. New York: Palgrave Macmillan.
- Tickell, A. T., and Peck, J. A. (1995) Social regulation after-Fordism: regulation theory, neoliberalism and the global-local nexus. *Economy and Society* **24**, 357-386.
- UNIDO (2009) Value chain diagnostics for industrial development: Building blocks for a holistic and rapid analytical tool. UNIDO Working Paper, [http://www.unido.org/fileadmin/user\\_media/Services/IFI/Event/EGM\\_VC/VC%20Working%20Paper%20\(FINAL\).pdf](http://www.unido.org/fileadmin/user_media/Services/IFI/Event/EGM_VC/VC%20Working%20Paper%20(FINAL).pdf)
- United Nations (2008) *Doha Declaration on Financing for Development: Outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus*. New York: United Nations.
- United Nations (2015a) *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*. New York: United Nations.

- United Nations (2015b) *Countries reach historic agreement to generate financing for new sustainable development agenda*. <http://www.un.org/esa/ffd/ffd3/press-release/countries-reach-historic-agreement.html>
- van Tilburg, A., Kambewa, E., de Jager, A., and Onduru, D. (2011) Upscaling smallholder participation in global value chains. In A.H.J. Helmsing and S. Vellema (eds.), *Value chains, social inclusion and economic development: Contrasting theories and realities*. Oxon: Routledge.
- Wade, R. (1990) *Governing the market: Economic theory and the role of the government in East Asian industrialization*. Princeton: Princeton University Press.
- Wade, R. (2009) Beware what you wish for: Lessons for international political economy from the transformation of economics. *Review of International Political Economy* **16**, 106-121.
- Weiss, L. (1998) *The myth of the powerless state*. Ithaca, NY: Cornell University Press.
- Whitley, R.D. (1999) *Divergent capitalisms: The social structuring and change of business systems*. Oxford: Oxford University Press.
- World Bank (1989) *Sub-Saharan Africa: From crisis to sustainable growth*. Washington, DC: The World Bank.
- World Bank (1991) *Managing development: The governance dimension*. Discussion Paper. Washington, DC: World Bank.
- Yeung, H.W.-C. (2000) State intervention and neoliberalism in the globalizing world economy: Lessons from Singapore's regionalization programme. *The Pacific Review* **13**, 133-162.
- 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* **21**, 70-101.