



**THE IEL COLLECTIVE
INAUGURAL CONFERENCE
6 – 7 NOVEMBER 2019
UNIVERSITY OF WARWICK, COVENTRY, UK**

VALUE CHAIN TRADE, DEVELOPMENT AND SOCIAL REPRODUCTION

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Theoretical innovations in the field of trade theory have recently pointed to the fact that Global Value Chains (GVCs) are challenging the state-centric focus of multilateral trade law and its development agenda. The argument is that the pace, level, range and intensity of global interactions is rapidly changing, with value chain trade, consisting of ever more functional ‘fractionalization’ and geographical ‘dispersion’, destined to replace inter-national trade (i.e., trade between nations) (Hamilton and Gereffi, 2009). What is needed, according to this narrative, is an appreciation that ‘development’ today entails the ability of states to create a regulatory environment that enables efficient companies to ‘technologically upgrade’ and insert themselves in GVCs so to attract a greater share in the value added produced. The WTO’s commissioned report on GVCs, for instance, makes a clear recommendation: as GVCs are the outcome of inevitable economic and technological processes, it becomes important to accept a new set of rules supposed to facilitate and expand value chain trade (Baldwin, 2013). Referred to as ‘WTO-X’ provisions because they go well beyond current liberalization commitments and include areas not covered by the Organization, these rules consist of the strengthening of the protection of investors’ rights and free movement of capital. The acceptance of such ‘wisdom’ and its translation into law is also believed to be necessary to prevent the collapse of the multilateral trade system as major trading partners pursue their agenda outside the WTO given its negotiating impasse.

Whilst noting that the insistence on 'developing countries' to acknowledge and adjust to the prevailing development wisdom is not something new within the multilateral trade system, the project on which this paper draws interrogates the two assumptions on which the new mantra is based; firstly that law acts as a background against which economic forces play out; and secondly

that technological upgrade within value chains delivers 'development'. The paper tentatively makes two points: the first is that, empirically, there is little evidence that insertion into GVCs is resulting in their firms getting a higher share in value added produced (Akyuz, 2003; 2012). There is however some evidence that 'technological upgrade' is going hand in hand with 'social downgrade', that is, the deterioration of working conditions (Raworth and Kidder, 2009). The second point is that conceptually trade theory, law and policy are predicated on a problematic separation of the productive from the social reproductive field, a separation that hides the contribution that social reproductive labour makes to the creation of economic value trans/nationally. This is a point that Marxist feminists have been making since the 1970s in their investigations of the processes through which 'surplus' value gets produced and unequally distributed (Federici, 1975; Fortunati, 1981). The paper brings these insights to bear on the current debate about development and GVCs by reflecting on the 'hidden' contribution that social reproductive labour makes to the production of value along these chains, as well as on its unequal distribution within and between countries.