Global Value Chains and the Sources of Value

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Résumé

The Economics field in Brazil has abolished the most important research project of the social sciences in Latin America, which is the systematic and critical thinking about underdevelopment and dependency and above all the Marxist Dependency Theory (MDT). Given that theoretical reflection is subsidiary to the national thought and experience, an intellectual is one who thinks from ones own reality and not just repeat what comes from the Centre. Brazilian Social Scientists, especially Economists, have been limited to trying to fit theories from the Center to the Periphery with poor connection to the local reality. Hence it is necessary the resumption of a critical anti-capitalist discussion of Brazilian reality and its insertion in current capitalism stage and Global Value Chains (GVC). It takes the resumption of MDT as a starting point for critical analysis of the relations between countries and how GVC represent the advanced stage of relations of exploitation in Imperialism Capitalism. GVC have always been part of international trade since colonization (15th Century) when the least developed countries (Colonies) provided raw materials to imperialist countries (today, the industrialized and developed capitalist countries) as inputs or intermediate goods for manufactured production. The GVC expanded and continue to expand due to the transnational corporations expansion across the globe. Leading companies of advanced capitalist countries, continue to use the former colonies (today’s least developed and underdeveloped countries) as a source of raw materials and unpaid work. Thus, underdeveloped countries have distinct position in the GVC compared to the advanced capitalist countries. The central issue for underdeveloped countries - given that they are critical to the operation of the GVC - is how to decrease their technological dependency and have their labor valued and not exploited by imperialist countries. The core capitalist countries are increasingly able to extract profits from workers in the Global South through market mechanisms and by aggressively favoring places with lower wages (labor arbitrage). With the expansions of the GVC much of the world’s industrial production has shifted from the North to the Global South. A very large and growing proportion of the workforce in many global value chains is now located in less developed economies, where high rates of flexibility and intensity of labor can be used to argue against the idea that low southern wages reflect low southern productivity. The two main objectives of this project is (1) to resume the debate of underdevelopment and dependency under the perspective of the MDT; and (2) is to come out with a world MELT to have a benchmark that can be used to characterize countries as recipients of the redistribution flows or as effective sources of value. This project seeks to contribute to the policy makers in Brazil to provide enlightening information about Brazil’s role in GVC.

Mots-Crés: Global Value Chains, Labor, Development, Dependency

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