Review of Business Management, São Paulo, v.21, n.4, p.607-627, oct/dec. 2019.

Global Value Chains, Business Networks, Strategy, and International Business: Convergences

Global Value Chains, Business Networks,

Strategy, and International Business:

Convergences

**John Humphrey1**

**1***University of Sussex Business School, Brighton BN1 9SL, UK*

**Emanuela Todeva2**

**2***St. Mary’s University Twickenham London, The School of Management*

*and Social Sciences (MSS), Twickenham TW1 4SX, UK*

**Eduardo Armando3**

**3***FIA Business School, ProCED Graduate Programs, Sao Paulo, S.P., Brazil*

**Ernesto Giglio4**

**4***UNIP - Universidade Paulista, Masters Program*

*in Business, Sao Paulo, S.P., Brazil*

**Abstract**

**Purpose** – The purpose of this paper is to clarify the distinction between

Global Value Chains and selected strands of the business literature:

business networks, strategy, and international business. These four

research areas have starting questions that are often different and the

audiences they address also differ. There have been attempts to establish

links across these theories, but these are exceptions rather than the rule.

**Design/methodology/approach** – The basic principles and concepts

of the four areas are identified. The results are used to develop a

summary matrix of the approaches. The methodological path is

inductive and inferential, as the task involves searching for similarities,

complementarities, and overlaps across the four social science

disciplines.

**Findings** –The literature of the studied fields overlaps on the issues they

are trying to understand, even if they do not use identical terminology.

The four areas advocate the same principle in understanding the

organizational field: complexity. Firms are triggered to enter into

exchange with other companies.

**Originality/value** – The theoretical contribution of this article is

based on the idea that although the four research fields – GVC,

Business Networks, Strategy, and International Business – advance

independently from each other, common origins can be observed,

allowing for a set of common propositions.

**Keywords –** Convergence, Global Value Chains, Business Networks,

Strategy, International Business

**1 Introduction**

Over the past three decades, global trade

has grown and many new exporting countries,

particularly in Asia, have been incorporated

into the global economy. This growth has been

accompanied by two important structural

transformations. The first is the expansion of

what Baldwin and Lopez-Gonzalez (2015) call

supply-chain trade. Production has become more

fragmented and the share of trade in finished

products declined in the 1990s and the first

decade of the 21st century, while the share of

trade in parts has increased (Baldwin & Lopez-

Gonzalez, 2015). Second, even in sectors in which

the activity of trading final products continues

to dominate (for example, food, clothing, and

shoes), the shift of production to developing

and emerging economies has been accompanied

by increased outsourcing and the role of firms

specializing in design, marketing, and retail in

structuring international trade. This trend has

been described with terms such as “manufacturers

without factories” (Gereffi, 1999, p. 46) and

“factoryless goods producing firms” (Bernard &

Fort, 2015, p. 518).

Various theoretical approaches have

attempted to understand these changes in terms of

what they imply for both businesses and countries.

The Global Value Chain (GVC) literature emerged

as an attempt to understand these questions

and identify their implications for developing

countries. Equally, however, some strands of the

business and management literature, notably

the research on business networks, strategy, and

international business, have addressed these issues.

For example, the international business literature

has used the concept of the “global factory” to

describe how multinational firms have integrated

production activities in Asia into their global

strategies and what the consequences might be for

the newly-integrated economies (Buckley, 2009).

These differing approaches have much

in common. They are all concerned with

fragmentation across borders (offshoring);

fragmentation across businesses (outsourcing);

and strategies for coordinating in the presence

of fragmentation. Equally, they tend to draw

on similar theoretical foundations, including

transaction cost economics and knowledgebased

and resource-based theories of the firm,

and are concerned with how firms try to remain

competitive in the global economy.

Nevertheless, the four research areas

do not engage with each other as much as

they should. Their starting questions are often

different, as recent research has recognized

(Strange & Humphrey, 2018), and the audiences

they address also differ. It is certainly true that

there have been attempts to establish links across

the theories, but these are exceptions rather than

the rule. For this reason, this special issue of the

RBGN has been devoted to the interface between

GVC theory and three strands of the business

literature that have also developed theory in the

areas of globalization, competitiveness, and how

businesses manage links with other firms. Thus,

this collection of papers is a further attempt to

promote dialogue and develop theory in these

four research areas.

This overview frames the papers in the

special issue through an analysis of the areas of

interaction between the four themes: GVCs,

business networks, strategy, and international

business. In both the special issue and this paper,

in general terms, the following questions are

addressed: (1) What is the intersection of the

literature on GVCs, strategy, business networks,

and international business, and where has

conceptual clarity and consensus already emerged?

(2) In what ways might emergent research themes

– for example, the circular economy, multistakeholder

governance, and internationalization

of knowledge and technology – use common

knowledge across the four areas as an analytical

tool to sharpen the understanding of these

phenomena? (3) How might GVC analysis in

issues such as innovation make effective use of

concepts developed by business networks, strategy,

and international business literature?

Specifically, in this paper, we focus on

answering the question that follows: What is the

distinction between the GVC literature and the

selected strands of the business literature, i.e. on

business networks, strategy, and international

business? Although there is a variety of business

literature, we chose only these three strands for

consideration. By answering this question and

developing a theoretical synthesis, the basic

principles and concepts of the four areas are

identified. The results are used to develop a

summary matrix of the approaches (Tables 1

and 2).

The paper is divided into four sections.

The following section explains the logic behind the

theoretical development. The main contribution

of the paper lies in evidencing the convergences

between the four fields studied, showing what they

aim to explain, the scope of analysis of each field,

as well as identifying the most investigated topics.

We also make a methodological contribution by

unveiling aspects that are common to the four

fields.

Section three, the literature review,

examines the most frequently referenced articles

relating to each of the four approaches and the

attempts to link them. The section concludes with

a table that provides an interdisciplinary synthesis

covering each of the approaches investigated.

The fourth section presents the theoretical

outcomes of this article, its foundations,

justifications, internal logic, theoretical coherence,

and explanatory competence, which are compared

with other efforts. The conclusion revisits the

initial questions, presents the results, comments

on the limitations of the theoretical enquiry, and

examines the contributions of the article.

**2 Logic behind the Theoretical**

**Development**

When writing a theoretical article it is

important to explain the starting points of the

analysis and the principles used for a critical

review of the literature. Our methodological path

is inductive and inferential, as the task involves

searching for similarities, complementarities, and

overlaps across the four social science disciplines

referred to above.

The inductive classification is the result

of searching for evidence and the convergence

of indicators among the four research fields,

presenting conclusions on the overlaps and

similarities for analysis and the treatment of

empirical observations. The inferential approach

comes from bringing together ideas encapsulated

in the concepts of the four academic disciplines,

based on the content put forward by the relevant

literature. For example, the concepts of dynamic

competencies in the strategy field and social

capital in relation to business networks show

significant conceptual similarity. From the

conceptual definitions, it is possible to infer that

both categories refer to the creation of resources in

a collective action and through learning feedback

loops, therefore no existing actors, persons, or

organizations act in isolation.

In order to apply this inferential approach

systematically, we adopted a scientific categorization

framework based on the paradigmatic theory

raised by Kuhn (1962) and Popper and Hansen

(2014) for the analysis of distinctive scientific

fields. This framework is composed of eight

categories that describe the contributions from

each scientific discipline. These eight categories

enable a systematic comparison across an

interdisciplinary field:

• What are the dominant assumptions? –

This is an enquiry into basic assumptions

that are accepted without discussion by

the scientific community. For example,

in both GVC and network theory it is

assumed that the human being is social

and needs to live in a group. Assumptions

give direction to scientific enquiry and

facilitate researchers in identifying the

objects of their enquiry and the direction

of argumentation, asking questions that

are different from their assumptions.

• What are the dominant theories? –

Particularly in relation to other

social theories such as economics,

sociology, psychology, anthropology, or

communications. For example, game

theory applies to both economics and

strategy. Dominant theories already cut

across multidisciplinary social enquiries

and bring with them a portfolio of

research questions.

• What are the variants of contemporary

theories? – The current development

of basic theoretical frameworks and

explanatory models within a discipline.

For example, within network theory

are hypotheses relating to social capital,

governance, and group management. The

proliferation of theoretical frameworks

within an academic discipline as a field of

enquiry shows new emergent discourses

that give rise to new concepts and

methodological tools.

• What is the phenomenon to be explained?

– Refers to the object of analysis in an

academic field of enquiry. For example,

within networks one of the core

investigative concepts is the structure of

ties. The definition of the phenomenon

that constitutes the objects of scientific

enquiry influences much of the following

methodologies and scientific practices.

• What is the scope of analysis? – Indicates

the level of enquiry, whether the scope is

people, groups, organizations, regions,

states, or nations. For example, within

networks, there are three distinctive levels

of analysis – the actors, the relationships,

and the whole network. The same

analytical reasoning can be applied to the

GVC field. Some disciplines and scientific

fields of enquiry are broader in scope,

connect multiple theories, and examine

multiple objects of enquiry.

• What are the most frequent search

topics? – Concerned with specific

investigative categories and whether

they refer to behaviors, processes,

decisions, relationships, cost analysis,

modes of production and sales, modes

of competition, the analysis of social

groups, or other core concepts. For

example, core concepts and investigative

questions related to networks include

structure, relationships, strategies, results,

and benefits.

• What is the dominant mode of knowledge

construction? – These could vary from (1)

a logical transition from observational

facts to the construction of a theory;

or (2) a transition from theoretical

constructs to empirical testing in the field.

It may be argued that the field of strategy

predominantly uses the path from theory

to practice and the field of networks the

path from practice to theory. Scientists in

each discipline develop certain preferences

towards one or another methodology for

knowledge construction.

• What are the dominant research

techniques? – These could vary between

questionnaires, interviews, follow-up

monitoring, secondary data, big data,

or focus group discussions. Examples of

empirical techniques for data collection

for networks include interviews and

questionnaires, along with the snowball

sampling technique, which are the

dominant methods.

These categories enabled us to compare

across different scientific fields of enquiry and

search for common grounds in order to work

towards a theoretical synthesis. We searched for

the most cited authors within the four fields and

selected information on the main contributions

of their works and those of their followers. We

used Scopus to select the most cited authors and

completed the selection of publications as the

intersection between the key expression search

(GVC, Strategy, Networks, and International

Business) with the author search. We selected the

10 most cited articles and analyzed the content of

their theoretical statements. From this, we derived

the categorization of the disciplinary frameworks.

**3 Literature Review**

The characteristics of present society

are simultaneity, complexity, connectivity,

interdependence, and plurality of power (Castells,

1996; Deleuze & Guattari, 2004; Morin, 1990).

Many of these characteristics are not substantiated

by facts and evidence, but they are discussed

in a number of theoretical and paradigmatic

frameworks.

In science, these characteristics result in

increasingly intense multidisciplinary movements,

conjunctions, and overlaps where before there

was focus and distinction. For example: What

area of science deals with the planet sustainability

phenomena? Currently, it is possible to find

disciplines in universities and congresses that

combine segments of biology, geology, social

sciences, engineering, and medical sciences. Thus,

the effort to integrate the four aforementioned

areas of knowledge in the social sciences – GVCs,

strategy, business networks, and international

business – makes sense. We start with efforts

to integrate the four areas of knowledge and

then present the literature on each of these. The

final part of this section provides Table 1, with a

synthesis of the literature using the logic presented

in section 2.

**3.1 Efforts to integrate the four areas**

A key step in the investigation was to

find publications that tried to integrate the four

fields addressed in this article – GVCs, strategy,

business networks, and international business.

Gereffi, Humphrey, and Sturgeon (2005) try to

integrate the strategy and GVC fields using a

governance framework for business-to-business

linkages. While it should be noted that the

approach suggested by these authors incorporates

resource-based views of the firm alongside

knowledge-based and transaction cost approaches,

it has been criticized for ignoring intra-industry

variations in governance across firms, time, and

locations (Sako & Zylberberg, 2017). Sako and

Zylberberg (2017) propose refinements that

involve injecting management theories into GVC

research, presenting a modified framework for

corporate strategy in GVCs.

There have been other attempts to link

GVC and business theory (De Marchi, Di Maria,

& Ponte, 2014; Humphrey, 2014; Lema, 2014;

Narula & Wahed, 2017), along with efforts

to connect GVC and innovation theory (De

Marchi, Giuliani, & Rabellotti, 2017; Keijser &

Iizuka, 2018; Pietrobelli & Staritz, 2018; Tajoli

& Felice, 2018), but there are differences in

the two approaches. Whereas business theories,

particularly the strategy approach, emphasize

agency, this is a weak point in the GVC literature,

which puts greater emphasis on structure and

constraints on action. As a result, business theories

(for example, internalization theory) focus on

the multinational firm and its strategic choices,

while GVC theory is more concerned with the

characteristics and choices typical of sectors as

a whole.

There are also efforts to bring together

GVC and network principles in the public

policy field (Todeva & Rakhmatullin, 2016a).

International agencies such as the Organization

for Economic Cooperation and Development

(OECD), the World Trade Organization

(WTO), and the World Bank have recognized

and promoted the importance of increased

participation in the global economy through

GVC linkages for developing countries, pointing

to positive impacts on homegrown businesses in

terms of enhancing competitiveness (OECD,

WTO, & World Bank Group, 2014). The

argument here is that the disaggregation of

production into separate stages allows firms to

gain easier access to the globalization ladder and

ascend it as their capabilities improve. In this

view, GVCs encourage such upward movement by

rewarding skills, learning, and innovation, as well

as through learning from value chain partners. In

other words, better positions and higher rents are

assured for companies in developing countries if

they enter GVCs.

This view is very controversial. Critics

highlight the risks faced by domestic firms from

developing countries through exposure to a “race to

the bottom” as new supply locations are integrated

into the global economy (Kaplinsky, 2000; United

Nations Industrial Development Organization

[UNIDO], 2009; United Nations Conference

on Trade and Development [UNCTAD],

2013). Furthermore, it has been argued that

lead firms may actively prevent their suppliers

from upgrading, instead tending to outsource

activities where there is, or where they can create,

competition among suppliers, making it difficult

to capture rents (Pietrobelli & Staritz, 2018).

The discussion about upgrading also

reveals a structure/agency distinction, although

this time within GVC approaches. While

Pietrobelli and Staritz (2018) refer to individual

firms, there is a strong public policy approach

in the GVC literature that views upgrading as

interesting if insertion into the global economy

improves incomes and livelihoods in developing

countries. For Kaplinsky, Morris, and Readman

(2002, p. 1160), “upgrading is an essential aspect

of ensuring a sustainable trajectory to economic

development”.

The discussion about the different ways in

which developing country businesses can benefit

from participation in GVCs frequently links to

the business network literature, and particularly

so with respect to localities and clusters, but

with a focus on how external linkages shape local

contexts. Humphrey and Schmitz (2002) discuss

the linkages between the cluster and value chain

literatures. The issue is that the GVC approach

prioritizes vertical, transnational links as sources

of knowledge, whereas the cluster approach

emphasizes horizontal links between firms and

local institutions. Both strands of the literature

provide a partial picture, but it must be noted

that there has been some interesting work on

clusters and their links to the global economy

(Gereffi & Lee, 2016; Lorenzen & Mudambi,

2013; Morrison, Rabellotti, & Zirulia, 2012),

and analysis of cross-national links between

different clusters (Nadvi & Halder, 2005; Meyer-

Stamer, Maggi, & Seibel, 2004). Some GVC

papers emphasize the role of locality (Crescenzi,

Pietrobelli, & Rabellotti, 2014; Nadvi, 2008;

Sturgeon, Van Biesebroeck, & Gereffi, 2008).

There is more recently published research as well,

but in both strands of the literature, since only

the three most cited articles were selected, there

is a bias towards older publications.

This is probably the strongest argument for

bringing together different literatures, although

as they begin with different questions and

assumptions, this is not an easy task. International

institutions have acknowledged that GVCs

constitute a complex network of investment and

trade flows and that multinational enterprises

(MNEs) drive all vehicles for integrating countries

and domestic firms into GVCs, including foreign

market operations of MNEs, domestic firm

exports, and redirecting GVC flows through new

regions, clusters, and countries that offer new

business opportunities (UNCTAD, 2013).

Positions in the expanded middle of value

chains, through the market and vertical integration

within MNEs, have become more popular in

several industries where the business models of

firms incorporate a nexus of foreign ownership

and international business networks of operations

(Todeva, 2006; Todeva & Rakhmatullin, 2016b).

To conclude, there is evidence of

complementarity among the four fields; however,

according to our understanding, an organizational

effort is necessary based on the principles of the

theory of knowledge, as described in item 2. Next,

we present the ten most cited articles for each

of the areas of the literature in order to perform

this task.

**3.2 GVC literature**

The field of study entitled Global Value

Chain is increasingly important within the

organizational and management field, because

business expands beyond its local business

boundaries – whether in production, marketing,

or service delivery – into global chains (Kaplinsky

& Morris, 2002). In order to create models

and theories concerning global value chains,

considering the wide scope that encompasses

different countries, regions, cultures, and sociodemographic

profiles, the area is characterized

as being interdisciplinary. According to the

organizational objects under analysis, it may

be necessary to link models and theories

involving global strategies, consumer behavior,

social networks, culture, value, and ethics in

consumption, to name just a few.

A search for the 10 most cited articles

on the Scopus platform, using the expression

“global value chain” with a filter in the title,

resulted in the following list: 1. Gereffi et al.

(2005), on governance in GVCs; 2. Frohlich

and Westbrook (2001), regarding the integration

of global strategies; 3. Humphrey and Schmitz

(2002), on GVCs and industrial clusters; 4.

Rugman and Verbeke (2004), who show the

differences between the internalization theory

approach and the GVC approach (the questions

and assumptions are different rather than similar);

5. Manuj and Mentzer (2008), on rich strategies

in the global supply chain; 6. Horvath (2001),

who write about collaboration in global chains;

7. Andersen and Skjoett-Larsen (2009), who

focus on social responsibility in global chains;

8. Barrientos, Gereffi, and Rossi (2011), on new

paradigms in production networks; 9. Gereffi

and Lee (2012), on the growing importance of

GVCs; and, finally, 10. Saliola and Zanfei (2009),

regarding GVCs and knowledge transfer. Here, it

is important to point out that although the criteria

we used were exactly the same for the four research

areas, there is a problem with the widespread

and differential use of the term value chain. As

an example, in Frohlich and Westbrook’s (2001)

article, although highly cited under the adopted

criteria, the term value chain only appears once,

in one of the items listed in the references.

The list illustrates that most of these

articles were written in the current century,

when the subject matter became important for

business and academia. The second observation

concerns the emphasis placed by these articles on

strategies and networks. The data indicate that

the integration effort can be observed from the

early stages of the academic discourse on GVCs,

and the aim of this article to provide a systematic

synthesis is justified and consistent with the

academic production.

Reading the key parts of these articles,

i.e., the abstract, introduction, and basic concept,

enabled us to develop a representation of the GVC

as a scientific field, as described in Table 1.

The GVC literature converges around a

common definition of their “object of analysis”

in the following way: “Value chains contain

fragmented, modularized activities across inputoutput

markets, and describe interconnected

industrial processes. They are typically presented

as the sequence of: product (service) design, supply

with input materials, production, marketing,

distribution, post-sales services to consumers,

and disposal after use” (Todeva & Rakhmatullin,

2016a). As such, the GVC literature encompasses

much of the organization and management

knowledge on interconnected business activities,

and renders itself closer to the strategy literature,

where the concept of connected and dynamic

capabilities receives a more thorough treatment.

**3.3 Strategy literature**

The literature on entrepreneurship and

management began with the work of Penrose

(1959), whose ideas subsequently gave rise to

the so-called Resource-Based View (Barney,

1991). The original ideas encapsulate a process

of inbound and outbound resource flows. Porter

(1985) adds to this analytical tool the notion of

value chains and value systems, which details the

resources and capabilities that can be owned and

developed by companies and the internal and

external connectivity of resource and activity

flows. One addition is the representation of

activities that add value to the production chain

(Todeva & Rakhmatullin, 2016a).

A search was run in the Scopus platform,

using the expression “strategy” to find articles.

Additionally, the search was run with a filter

in the title, to select articles that had the word

“strategy” – or “strategies” – in their title. As

the expression “strategy” is popular in many

areas of knowledge, in order to have a consistent

selection of articles, it was necessary to add the

focus on business in the platform’s range of

possibilities. The 10 most cited articles on the

Scopus platform with the aforementioned filters

resulted in the following list: 1. Dyer and Singh

(1998), who examine cooperation as a strategy for

organizations; 2. Grant (1991), on resource-based

theory and strategy formulation; 3. Porter and

Kramer (2006), on strategy, society, competitive

advantage, and corporate social responsibility;

4. Hansen, Nohria, and Tierney (1999), in

relation to knowledge management practices; 5.

Porter (2001), on strategy and the internet; 6.

Hoskisson, Eden, Lau, and Wright (2000), on

strategy in emerging economies; 7. Mintzberg and

Waters (1985), on strategy types (deliberate and

emergent); 8. Teece (2010), regarding business

models, business strategy, and innovation; 9.

Porter (1991), on a dynamic theory of strategy;

and 10. Frohlich and Westbrook (2001), on the

international study of supply chain strategies. This

shows a concentration of articles around the turn

of the century.

Looking at the titles and abstracts, we can

find some approaches regarding global chains

(Frohlich & Westbrook, 2001) and networks

(Dyer & Singh, 1998). Other publications, not in

the top ten, also present these approaches. When

discussing, for example, upgrading in GVCs, the

notion of dynamic capabilities is implicit (Teece,

Pisano, & Shuen, 1997), allowing the company

to evolve within the chains. It has been known

for some time that capabilities required by a firm

often depend upon its connection to networks

and locations (Marshall, 1890), again showing

the connection between strategy and networks.

Academics accept that relationships and

information flows drive the learning that enables

dynamic training. Resource and knowledge flows

are linked to the location in which the company

operates, as well as reacting to global competitive

forces (Todeva, 2006). Often, subsidiaries of

multinational companies are locally connected to

clusters. Recently, it has been recognized in the

literature that the relationship with the location

should be considered within the strategy, even

in the case of multinationals (Verbeke, Kano, &

Yuan, 2016). Clusters are ultimately dynamic

business environments that concentrate one or

a few capabilities on a regional basis (Todeva &

Rakhmatullin, 2016a).

Reading the key sections of the articles,

i.e., the abstract, introduction, and basic concept,

enabled us to develop a representation of strategy

as a scientific field, as described in Table 1.

Overall, the strategy literature extends

scientific knowledge into the realm of how

decisions and strategic choices lead to inter-firm

connectivity, which further mobilizes network

and cluster capabilities for enhanced firm

performance. The literature also acknowledges

that value chains are determined by production

technologies, manufacturing processes, and

product/service markets. Large firms are able to

control their own value chains and coordinate

value-added activities by managing both their

own operations and supplier networks, alliance

partnerships, and governance platforms for

outsourcing and inbound/outbound logistics,

leading to a dynamic value chain configuration

process (Todeva, 2006; Todeva & Rakhmatullin,

2016a).

**3.4 Business networks literature**

The study of networks is increasingly

important in the organizational field as a result

of: (a) the growth of collective phenomena in

business and society; (b) recognition by the

scientific community that the network format

is not a fad, but rather an alternative course of

action for organizations; (c) the growing interest

of researchers regarding the subject of networks

(Nohria, 1992).

Since its acceptance and legitimacy as a

scientific field in the 1990s, the academic and

managerial publications on the topic of networks

have become broad and diffuse, with no dominant

paradigm (Oliver & Ebers, 1998).

There are various concepts of networks

that use principles from a variety of areas, such

as economics, biology, sociology, anthropology,

psychology, and communications. The resulting

definitions can value economic aspects (Williamson,

1979) or focus on rational and strategic actions

(Gulati, 1998), social characteristics (DiMaggio &

Powell, 1991), political processes (Börzel, 1998),

structural relationships (Burt, 1982; Uzzi, 1997),

and networks as governance (Grandori, 2006).

The search for the 10 most cited articles

in the Scopus platform using the expressions

“networks”, “business networks”, and “concept

of networks”, without a time filter, resulted in

the following list: 1. Freeman (1978), who wrote

about centrality in social networks; 2. Nahapiet

and Ghoshal (1998), concerning social capital

and organizational advantage; 3. Portes (1998),

who focused on social capital; 4. Dyer and Singh

(1998), regarding relationship and competitive

advantage; 5. Uzzi (1997), in relation to social

structure and competition; 6. Powell, Koput, and

Smith-Doerr (1996), concerning collaboration

and innovation; 7. Adler and Kwon (2002),

regarding social capital; 8. Uzzi (1996), in relation

to embeddedness and economic performance; 9.

Tsai and Ghoshal (1998), on the topic of social

capital and value creation; and 10. Gulati (1998),

regarding alliances and networks.

From analyzing the list, it is evident that

most articles were published in the 1990s, just

as the field of networks was becoming legitimate

in academic and business circles following the

changing forms of global competition. The

second observation relates to the dominance of

the expression “social capital” in the whole list,

although it appears most in an article on structural

analysis.

The field of networks remains deeply

embedded in organizational theory and thus

does not show a specific interest in relation to the

globalization problem or the issues that emerge

with cross-country and cross-cultural network

interactions, which are well depicted in the

international business literature.

Although we did not find any dominant

network theory, it is possible to infer that statements

about structural analysis and relationship analysis

are the most frequently used in the research. The

key words are “interdependence”, “complexity”,

and “exchanges”. The first two (interdependence

and complexity) also appear when analyzing the

GVC field.

Reading the key parts of these articles,

i.e., the abstract, introduction, and basic concept,

enabled us to develop a representation of networks

as a scientific field, as described in Table 1.

**3.5 International business literature**

The transition from value chains to

global value chains has not taken place smoothly.

Although the international business field has

explored a broad range of modes of firm

internationalization and strategic alliance

formation, it has, until recently, tended to focus

on the market-hierarchy dichotomy rather than

on intermediate forms. Most of the research has

focused on modes of internationalization and

foreign market entry, utilizing the assumption of

firms as independent strategic agents, autonomous

from input and output markets (Dunning, 1980,

1988, 1998; Johanson & Vahlne, 1977). A

significant number of articles have focused on

international strategic alliances and partnerships,

joint ventures, and mergers and acquisitions

without exploring the distribution of value

added within these inter-firm relationships. The

international business strategy literature explores

motives for and drivers of strategic alliances and

partnerships, with a focus on performance rather

than value added. The discussion on knowledge

and learning very often treats these concepts

as assets and resources, rather than dynamic

capabilities (Kogut & Zander, 1992).

As a result, the strategic motives for

and drivers of cross-border operations are often

explained through a value capture, rather than

value-added argument, and chains are mainly

examined in terms of inter-firm relationships. The

multinational enterprise as an object of analysis in

the international business literature is discussed

in terms of ownership and control and through

the governance lenses, or the economic lenses of

intra-firm trade. These arguments rarely look at

intra-firm and inter-firm trade as a global chain

of intermediate products and a strategic portfolio

of ultimate global owners (parents) and their

subsidiaries, but rather as the internalization of

value added. This is one of the main reasons why

the literature on GVCs and international business

exhibits crossovers and cross-citation.

The search for the 10 most cited articles

in the Scopus platform, using the expressions

“international business”, without a time filter,

resulted in the following list: 1. Johanson and

Vahlne (1977), on the internationalization

process of firms through knowledge development

and increasing foreign market commitments; 2.

Kogut and Singh (1988), on the effect of national

culture on the choice of entry mode; 3. Kogut and

Zander (1993), whose work examines knowledge

of the firm and the evolutionary theory of the

multinational corporation; 4. Dunning (1988),

regarding the eclectic paradigm of international

production; 5. Dunning (1995), on the eclectic

paradigm in an age of alliance capitalism; 6.

Oviatt and McDougall (1994), who offer a theory

of new international ventures; 7. Hofstede (1983),

regarding the cultural relativity of organizational

practices and theories; 8. Agarwal and Ramaswami

(1992), on the choice of foreign-market entry

mode; 9. Parkhe (1991), regarding inter-firm

diversity, organizational learning, and longevity

in global strategic alliances; and 10. Knight and

Cavusgil (2004), on innovation, organizational

capabilities, and the born-global firm.

Reading the abstracts, we can see that

information, cooperation, and commitment are

consistent expressions.

One rarely discussed issue is value added

resulting from activities flows in and out of

companies and regions through foreign trade and

foreign investment linkages. This process is in the

hands of MNEs and is affected by multiple global

stakeholders.

**3.6 Synthesis of the literature**

Reading the key points of the selected

articles, i.e., the abstract, introduction, and basic

concept, enabled us to develop a representation

of the four fields, as proposed, which is shown

in Table 1.

Table 1

**The content of scientific categories across the literature on global value chains, strategy, networks, and international business**

**Synthesis in the literature field**

**Category GVC Strategy Business Networks International**

**Business**

Dominant

assumption

No company is

self-sufficient, so

relationships matter.

The performance of the

firm depends on the

capabilities it can develop.

The complexity of the

contemporary organizational

field creates interdependence

and supports collective action

by enterprises.

The internationalization

of firms is driven

by the comparative

advantage of host

countries, conditions of

the domestic market,

and global competitive

forces.

Dominant

theory

All production

processes are connected,

drawing on global

channels of input and

output markets.

Dynamic capabilities,

meaning that capacities

are not static, but

instead dynamic; that is,

they are influenced by

company strategy.

The relationships

(exchanges) created give

access to resources.

MNEs, with

their motives for

internationalization,

are mainly driven

by performance

maximization.

Variants of

contemporary

theories

Global capabilities;

network chain.

Value systems; interfirm

networks.

Social capital; network

governance.

Internationalization;

foreign market

entry; foreign direct

investment.

The

phenomenon

to be

explained

The global division of

labor and links between

firms.

Connections between

business strategy,

local networks,

such as clusters, and

performance in GVCs.

Collective action,

independent of the goals

to be achieved.

Portfolio of

operations of MNEs

and the impact

of environmental

conditions.

The scope of

analysis

The whole

organizational field.

Capabilities that firms

develop or obtain

within networks

to which they are

connected.

People or organizations;

one actor in the network,

two actors (dyadic),

many actors (the whole

network).

MNEs, subsidiaries,

and portfolio of

operations.

The most

frequent

search topics

Process, global

production models,

structure of channels.

Strategic decisions,

capability development,

acquisition of resources

in networks.

Social capital, solutions

around resource

dependence, strategies,

and social variables.

Motives for and drivers

of internationalization,

the impact of culture,

foreign market entry,

and market knowledge.

Dominant

mode of

knowledge

construction

Moving from a

situation of case

description to

generalizations and

theory formation. Tests

of models have already

been carried out.

Empirical, analyzing

cases of success and

failure.

No dominant theoretical

position; case studies

with some generalizations

accepted by academic

community.

Comparative case

studies.

Dominant

research

techniques

Process follow-up,

quantitative and

qualitative studies.

Interviews, application

of questionnaires,

model tests.

Qualitative, with

interviews;

quantitative, with

structural analysis of

connections and positions;

growing importance of big

data analysis.

Global surveys,

econometric models,

secondary data, and

business statistics.

**4 The Convergence of the Four**

**Categories**

Having completed the analysis within each

field, the next step was to search for coincident

occurrences across all four fields. The search

for “GVC–Network–Strategy–International

Business” in the title generated no results. Next,

we ran the search in pairs of these words, with a

third one as a general filter. Thus, as an example,

we looked for “GVC” and “Network” in the

title and “Strategy” as a general filter. In the next

paragraphs, we describe and briefly comment on

the results of these searches.

When running the search in pairs,

keeping “GVC” and “Strategy” in the title and

using the expression “Network” as a general

filter, 12 documents were found; one of these was

the work of Brennan and Rakhmatullin (2017)

examining the role of global value chains in the

context of smart specialization strategies.

Running the search using “GVC” and

“Network” in the title and “Strategy” as a general

filter resulted in 18 documents. Three are of

interest: Horner (2017), who discussed actors’

roles in GVCs; De Marchi et al. (2014), regarding

the management of global networks; and Parrilli,

Nadvi, and Yeung (2013), who focused on

comparing local and regional development in

the global value chain, production networks, and

innovation networks.

A search using the words “Network”

and “Strategy” in the title and “GVC” in the

general filter yielded eight publications. Two are

of interest for this paper: Rudberg and Olhager

(2003), who combine manufacturing networks

and supply chains in a strategy perspective; and

Chang (2012), whose work concerns strategy,

network structure, channels, and global leaders.

Running the search using “International

Business” and “Strategy” resulted in 110

documents. Adding a third expression such as

GVC or Network resulted in no documents.

The reason why no articles arise when

searching using the three (and, of course, four)

keywords remains unanswered. It is intriguing

because when the search is conducted in pairs,

there are approximations that can be juxtaposed.

As an example, when running the search in

pairs, convergences appear with the keywords

“complexity”, “interdependence”, “exchange”, and

“new form of competition” (global and between

groups). For other terms, when searching using

three words instead of two, no results (articles)

came up. However, when we read the articles that

resulted from the search in pairs we saw that their

content was convergent with the other themes

(words) searched. Thus, although the articles’

research was convergent, maybe due to different

terminology, they did not appear in some searches.

Clearly, these literatures overlap on the issues they

are trying to understand, even if they do not use

identical terminology.

For example, apparent complexity is

used in the four areas, relating to uncertainty,

unpredictability, multiple specialty requirements,

mutability of phenomena, and the behavior of

people in the organizational field. In this context,

interdependence arises. As Rusbult and Arriaga

(1997) note, interdependence means that no

person or organization holds all the resources

necessary to carry out tasks; thus, associations

with other parties are required. Recognition of

interdependence on the part of entrepreneurs

leads to the necessary exchange of resources.

The exchange results from understanding a

complex organizational field and the condition

of interdependence.

Thus, the four areas advocate the same

principle in understanding the organizational

field: complexity. Mirroring the interdependence

of people, firms are driven to enter into exchanges

with other companies. The starting action,

therefore, is the collective system of exchange:

to seek some protection against a complex

environment and solve resource dependencies.

An analysis of the statements presented in the

tables raises the possibility of inferring the

convergences between the four fields. These

are presented in Table 2. One example of our

inferential reasoning is the following: in the GVC

field, a central research topic is described by the

word “integration”; in the area of strategy, it is

“partnership”; while in the area of networks, it is

“commitment”. The concept related to all three

results from the same principle of needing others

in order to complement resources. This point is

placed as a dominant statement in Table 2.

Table 2

**The convergence between principles in the fields of GVCs, strategy, networks, and international**

**business**

**Category Synthesis**

The Dominant Assumption Complex environment created interdependence, demanding cooperation and

exchange among organizations.

The Dominant Theory Resource dependence.

To address dependence, networks and exchange are identified as resources.

What is the phenomenon to be explained? The modes and operations of exchange between actors.

What is the scope of analysis? The relationships and behavior of individuals and/or organizations.

Organizational modes of exchange and competition.

What are the most frequent search topics? Exchange, relationships, value creation, and network strategy.

Dominant mode of knowledge construction Empirical, with case studies to search for and deduce generalizations, even

recognizing the specificity of each network.

Dominant research techniques Case studies, from conjunction variable modes, in research designs of causal,

corresponding, or systemic relationships.

Qualitative research with interviews; quantitative research with flow analysis,

structural analysis, and secondary data.

From this analysis and synthesis, we

observe that there are some interactions between

different strands of the literature. As examples

in the synthesis, the idea of the complex

environment comes from strategy, as does resource

dependence. The concepts of exchange, actors,

and relationships are present in the network

literature. These, in addition to value creation and

the influence of resources, are present in the GVC

literature. However, such interactions between

different literatures have been mostly between

one another, and there are not enough for it to

be systematic. Although we are aware that there

is a long road ahead, this paper does advance in

the direction of systematically studying the four

fields of literature.

**5 Final comments**

In consideration of the theme of this

special issue, this paper analyzed the interfaces

between the four fields using the categories

that define a scientific area. The result was that

convergence appeared such that it can be asserted

that the four fields may move towards integration.

The interdisciplinary movement seems to be a

scientific one that is coherent with the integration

of social phenomena (such as the internet). The

networked society, connected by new values,

ethics, rituals, and social practices – including

business practices – requires theories capable of

dealing with the complexity, unpredictability, and

global scope of these phenomena.

From the analysis of the most cited articles

in the four fields investigated – GVCs, Strategy,

Networks, and International Business – we find

principles that are applicable to all. However,

the analysis also showed that integration efforts

are rare. One of the reasons, as interpreted based

on the research experience of the authors, is that

the positivist methodology, with its division and

analysis of components, is still very strong and

widespread within academia, making it difficult

to find unity.

Our attention now returns to the questions

posed in the introduction of this paper:

(1) What is the intersection in the

literature on GVCs, strategy, business networks,

and international business where conceptual

clarity and consensus has already emerged? In this

paper, we demonstrated the intersection in Table

2. While full clarity was not obtained, it does

throw light on the convergences that exist in the

literature, at least in the most cited papers in the

Scopus database. In terms of consensus, although

it is not explicit, we can see that the dominant

assumption regarding the complex environment

that created interdependence is consensual. Also

consensual is the fact that such interdependence

demands cooperation among organizations.

There is conceptual clarity and consensus on the

dominant theory as well, pointing to resource

dependence (as shown in Table 2). All four fields

try to explain modes and operations of exchange

between actors. In terms of the scope of analysis,

the most cited articles in all four fields focus on

the relationships and behavior of individuals

and organizations, and on organizational modes

of exchange and competition. In all four fields,

the most investigated topics are exchange,

relationships, value creation, and network

strategy. Also, in all four fields, the dominant

mode of knowledge construction is empirical and

in terms of research techniques, case studies are

mostly used in all four using qualitative methods.

(2) In what ways might emergent

research themes – for example, the circular

economy, multi-stakeholder governance, and the

internationalization of knowledge and technology

– use common knowledge from the four areas as

an analytical tool to sharpen our understanding

of these phenomena? The convergences found,

while they do not allow us to address these

issues directly, may bring some light to these

new research themes. The first point relates

to the dominant assumption that, currently,

environmental complexity is not diminishing;

perhaps on the contrary, the world is becoming

more and more complex, creating more and more

interdependence, and demanding more and more

cooperation and exchange among organizations.

The increase in complexity derives from the

three examples in the question: the circular

economy, multi-stakeholder governance, and the

internationalization of knowledge and technology.

The circular economy makes the issue of resources

more complex, probably leading to a revision of

the concept. Multi-stakeholder governance will

doubtless also lead to a revision of the concept

of resources as well as their acquisition. These

phenomena can likely be better explained and

dealt with by the dominant theory in the four

fields of literature: resource dependence. In

fact, with regard to the circular economy, actors

behave differently from how they used to. Multistakeholder

governance brings more actors to the

table, thus requiring more sophisticated forms

of explaining their modes and operations of

exchange, which the common knowledge of the

four areas can probably do.

(3) How might GVC analysis in issues

such as innovation make effective use of concepts

developed by the business networks, strategy, and

international business literature? As we can see in

Tables 1 and 2, each field can take advantage of

and effectively use the propositions and models

from the other fields. As an example, the concept

of network orchestration (Perks, Kowalkowski,

Witell, & Gustafsson, 2017) may be useful when

investigating global chains in the supportive

economy, using the GVC perspective.

The theoretical contribution of this article

is based on the idea that although the four research

fields – GVCs, Business Networks, Strategy, and

International Business – advance independently

from each other, common origins can be observed,

thus enabling a set of common propositions.

The starting point of the proposed integration is

presented in Table 2 and one possible next step

may be to refine these convergences, using clear

wording in a way that can be understood and

applied by researchers in any of the investigated

fields. As with any intellectual effort, this one

has its limitations. One of these that deserves

mentioning relates to the selection of the articles.

Although we used the same criteria for the four

research areas, there is the possibility that an

important article may have been left out of the

selection. The opposite is also possible, as we

may have included a paper that is not considered

very important by the community of researchers,

despite meeting the proposed criteria.

The article also makes a methodological

contribution, putting forward the proposition

that there are theoretical and methodological

aspects that are common to the four fields and

synthetizing them, thus allowing for replications,

new conjectures, and the possibility of migrating

research that was developed in one field to another.

Thus, as an example, GVC research on the circular

economy may be replicated or complemented

by researchers who base their investigations

on strategy or international business literature.

One research opportunity that this study did

not explore is examining in greater depth the

commonalities and differences between the four

areas. One concrete suggestion in this regard is

to systematically explore the content of Table 1.

There have, in fact, already been efforts to

integrate the fields, namely the 2030 Agenda for

Sustainable Development (United Nations, 2015).

The principles on which some of these initiatives

are based prioritize exchanges, relationships, and

collective value creation. These words refer to

collective endeavors, which are the converging

focus of analysis in the four fields of GVCs,

Business Networks, Strategy, and International

Business.

**References**

Adler, P. S., & Kwon, S.-W. (2002). Social

capital: Prospects for a new concept. *Academy of*

*Management Review*, *27*(1), 17-40.

Agarwal, S., & Ramaswami, S. (1992). Choice

of foreign-market entry mode – impact of

ownership, location and internalization factors.

*Journal of International Business Studies*, *23*(1),

1-27.

Andersen, M., & Skjoett-Larsen, T. (2009).

Corporate social responsibility in global

supply chains. *Supply Chain Management: An*

*International Journal*, *14*(2), 75-86.

Baldwin, R., & Lopez-Gonzalez, J. (2015).

Supply-chain trade: A portrait of global patterns

and several testable hypotheses. *The World*

*Economy*, *38*(11), 1682-721.

Barney, J. B. (1991). Firm resources and sustained

competitive advantage. *Journal of Management*,

*17*(1), 99-120.

Barrientos, S., Gereffi, G., & Rossi, A. (2011).

Economic and social upgrading in global

production networks: A new paradigm for a

changing world. *International Labour Review*,

*150*(3-4), 319-340.

Bernard, A. B., & Fort, T. C. (2015). Factoryless

goods producing firms. *American Economic*

*Review: Papers & Proceedings*, *105*(5), 518-523.

Börzel, T. A. (1998). Organizing Babylon ‐ On the

different conceptions of policy networks. *Public*

*Administration*, *76*(2), 253-273.

Brennan, L., & Rakhmatullin, R. (2017).

Transnationalizing smart specialization strategy. In S.

Radosevic, A. Curaj, R. Gheorghiu, L. Andreescu, & I.

Wade (Eds.). *Advances in the theory and practice of smart*

*specialization* (pp. 249 – 268). London: Elsevier.

Buckley, P. J. (2009). The impact of the global

factory on economic development. *Journal of*

*World Business*, *44*(2), 131-43.

Burt, R. S. (1982). *Toward a structural theory of*

*action network models of social structure, perception,*

*and action*. New York: Academic Press Inc.

Castells, M. (1996). *The rise of networks society*.

Malden, MA: John Wiley & Sons Ltd.

Chang, Y. (2012). Strategy, structure and channel

for global leaders of industrial service: A flow

chart analysis of the expanded value network.

*International Journal of Services Technology and*

*Management*, *17*(2-4), 138-162.

Crescenzi, R., Pietrobelli, C., & Rabellotti, R.

(2014). Innovation drivers, value chains and

the geography of multinational corporations in

Europe. *Journal of Economic Geography*, *14*(6),

1053-1086.

De Marchi, V., Di Maria, E., & Ponte, S. (2014).

Multinational firms and the management of global

networks: Insights from global value chain studies.

In T. Pedersen, M. Venzin, T. M. Devinney, & L.

Tihanyi (Eds.). *Orchestration of the global network*

*organization* (Vol. 27, pp. 463-486). Bingley:

Emerald Group Publishing Limited.

De Marchi, V., Giuliani, E., & Rabellotti, R.

(2017). Do global value chains offer developing

countries learning and innovation opportunities?

*European Journal of Development Research*, *30*(3),

389-407.

Deleuze, G.. & Guattari, F. (2004) *A thousands*

*plateaus*. London: Continuum.

DiMaggio, P. J., & Powell, W. W. (1991).

Introduction. In W. W. Powell, & P. J. DiMaggio

(Eds). *The New Institutionalism in Organizational*

*Analysis* (pp. 1-38). London and Chicago: The

University of Chicago Press.

Dunning, J. H. (1980). Toward an eclectic theory

of international production: Some empirical tests.

*Journal of International Business Studies*, *11*(1),

9-31.

Dunning, J. H. (1988). The eclectic paradigm

of international production – a restatement and

some possible extensions. *Journal of International*

*Business Studies*, *19*(1), 1-31.

Dunning, J. H. (1995). Reappraising the eclectic

paradigm in an age of alliance capitalism. *Journal*

*of International Business Studies*, *26*(3), 461-491.

Dunning, J. H. (1998). Location and the

multinational enterprise: A neglected factor?

*Journal of International Business Studies*, *29*(1),

45-66.

Dyer, J., & Singh, H. (1998). The relational

view: Cooperative strategy and sources of

interorganizational competitive advantage.

*Academy of Management Review*, *23*(4), 660-679.

Freeman, L. C. (1978). Centrality in social

networks conceptual clarification. *Social Networks*,

*1*(3), 215-239**.**

Frohlich, M., & Westbrook, R. (2001). Arcs of

integration: An international study of supply chain

strategies. *Journal of Operations Management*,

*19*(2), 185-200.

Gereffi, G. (1999). International trade and

industrial upgrading in the apparel commodity

chain. *Journal of International Economics*, *48*(1),

37–70.

Gereffi, G., Humphrey, J. & Sturgeon, T. (2005).

The governance of global value chains. *Review of*

*International Political Economy*, *12*(1), 78–104.

Gereffi, G., & Lee, J. (2012). Why the world

suddenly cares about global supply chains. *Journal*

*of Supply Management*, *48*(3), 24-32.

Gereffi, G., & Lee, J. (2016). Economic and social

upgrading in global value chains and industrial

clusters: Why governance matters*. J Bus Ethics*,

*133*(1), 25-38.

Grandori, A. (2006). Uncertainty, innovation and

relational governance: A typology. *Industry and*

*Innovation*, *13*(2), 127-133.

Grant, R. (1991). The resource-based theory of

competitive advantage: Implications for strategy

formulation. *California Management Review*,

*33*(3), 114-135.

Gulati, R. (1998). Alliances and networks.

*Strategic Management Journal*, *19*(4), 293-317.

Hansen, M., Nohria, N., & Tierney, T. (1999).

What’s your strategy for managing knowledge?

*Harvard Business Review*, *77*(2), 106-116.

Hofstede, G. (1983). The cultural relativity of

organizational practices and theories. *Journal of*

*International Business Studies*, *14*(2), 75-89.

Horner, R. (2017). Beyond facilitator? State roles

in global value chains and global production

networks. *Geography Compass*, *11*(2), 1-13.

Horvath, L. (2001). Collaboration: The key to

value creation in supply chain management.

*Supply Chain Management*, *6*(5), 205-2017.

Hoskisson, R., Eden, L., Lau, C., & Wright, M.

(2000). Strategy in emerging economies *Academy*

*of Management Journal*, *43*(3), 249-267.

Humphrey, J. (2014). Internalisation theory,

global value chain theory and sustainability

standards. In Van Tulder, R., Verbeke, A., &

Strange, R. (Eds.). *International Business and*

*Sustainable Development* (pp. 91-114). Bingley,

UK: Emerald Group Publishing Limited.

Humphrey, J., & Schmitz, H. (2002). How does

insertion in global value chains affect upgrading

in industrial clusters? *Regional Studies*, *36*(9),

1017-1027.

Johanson, J., & Vahlne, J. (1977). Internationalization

process of firm - model of knowledge development and

increasing foreign market commitments. *Journal of*

*International Business Studies*, *8*(1), 23-32.

Kaplinsky, R. (2000). Globalisation and unequalisation:

what can be learned from value chain analysis? *Journal of*

*Development Studies*, *37*(2), 117-146.

Kaplinsky, R., & Morris, M. (2002). *A handbook*

*for value chain research*. Institute of Development

Studies (IDS), Brighton, United Kingdom.

Retrieved from http://www.ids.ac.uk/ids/global/

pdfs/VchNov01.pdf

Kaplinsky, R., Morris, M., & Readman, J.

(2002). The globalization of product markets and

immiserizing growth: Lessons from the South

African furniture industry. *World Development*,

*30*(7), 1159–1177.

Keijser, C., & Iizuka, M. (2018). Looking beyond

global value chains in capacity development: The

case of the IT-enabled services (ITES) Sector in

South Africa. *European Journal of Development*

*Research*, *30*(3), 442-461.

Knight, G., & Cavusgil, S. (2004). Innovation,

organizational capabilities, and the born-global

firm. *Journal of International Business Studies*,

*35*(2), 124-141.

Kogut, B., & Singh, H. (1988). The effect of

national culture on the choice of entry mode.

*Journal of International Business Studies*, *19*(3),

411-432.

Kogut, B., & Zander, U. (1992). Knowledge

of the firm. Combinative capabilities, and the

replication of technology. *Organization Science*,

*3*(3), 383-397.

Kogut, B., & Zander, U. (1993). Knowledge

of the firm and the evolutionary–theory of

the multinational–corporation. *Journal of*

*International Business Studies*, *24*(4), 625-645.

Kuhn, T. (1962). *The structure of scientific*

*revolutions*. Chicago: University of Chicago Press.

Lema, R. (2014). Offshore outsourcing and

innovation capabilities in the supply base:

evidence from software firms in Bangalore.

*Int. J. Technological Learning, Innovation and*

*Development*, *7*(1), 19-46.

Lorenzen, M., & Mudambi, R. (2013). Clusters,

connectivity and catch-up: Bollywood and

Bangalore in the global economy. *Journal of*

*Economic Geography*, *13*(3), 501-534.

Manuj, I., & Mentzer, J. (2008). Global supply

chain risk management. *Journal of Business*

*Logistics*, *29*(1), 133-155.

Marshall, A. (1890). *Principles of economics book*

*four: The agents of production: Land, Labour, capital*

*and organization* (Electronic version). Retrieved

from https://www.marxists.org/reference/subject/

economics/marshall/bk4ch10.htm

Meyer-Stamer. J., Maggi, C., & Seibel, S. (2004).

Upgrading in the tile industry of Italy, Spain

and Brazil: Insights from cluster and value chain

analysis. In H Schmitz (Ed.). *Local Enterprises in*

*the Global Economy* (pp. 174-99). Cheltenham:

Edward Elgar.

Mintzberg, H., & Waters, J. (1985). Of strategies,

deliberate and emergent. *Strategic Management*

*Journal*, *6*(3), 257-272.

Morin, E. (1990). *Introduction à la pensée*

*complexe*. Paris: ESF.

Morrison, A., Rabellotti, R., & Zirulia, L. (2012).

When do global pipelines enhance the diffusion

of knowledge in clusters? *Economic Geography*,

*89*(1), 77-96.

Nadvi, K. (2008). Global standards, global

governance and the organization of global

value chains, *Journal of Economic Geography*, *8*,

323–343.

Nadvi, K., & Halder, G. (2005). Local clusters in

global value chains: Exploring dynamic linkages

between Germany and Pakistan. *Entrepreneurship*

*& Regional Development*, *17*(5), 339-363.

Nahapiet, J., & Ghoshal, S. (1998). Social

capital, intellectual capital, and the organizational

advantage. *Academy of Management Review*, *23*(2),

242-266.

Narula, R., & Wahed, M. S. (2017). The

dominant presence of MNEs in Agro-Food

GVCs: Implications for developing countries.

In G. Mergos, & M. Papanastassiou (Eds.).

*Food security and sustainability: Investment and*

*financing along agro-food value chains* (pp. 71-88).

Aldershot: Palgrave Macmillan.

Nohria, N. (1992). Is a network perspective

a useful way of studying organizations? In

N. Nohria, & R. Eccles (Eds.), *Networks and*

*organizations: Structure, form, and action* (pp.

1-22). Boston: Harvard Business School.

Oliver, A. L., & Ebers, M. (1998). Networking

network studies: An analysis of conceptual

configurations in the study of inter-organizational

relationships. *Organization Studies*, *19*(4), 549-583.

Organization for Economic Cooperation and

Development, World Trade Organization, &

World Bank Group (2014). *Global Value Chains:*

*Challenges, Opportunities, and Implications for*

*Policy*. Report prepared for submission to the

G20 Trade Ministers Meeting Sydney, Australia,

19 July. Retrieved from https://www.oecd.org/tad/

gvc\_report\_g20\_july\_2014.pdf

Oviatt, B., & McDougall, P. (1994). Toward a

theory of international new ventures. *Journal of*

*International Business Studies*, *25*(1), 45-64.

Parkhe, A. (1991). Interfirm diversity,

organizational learning, and longevity in global

strategic alliances. *Journal of International Business*

*Studies*, *22*(4), 579-601.

Parrilli, M. D., Nadvi, K., & Yeung, H. W.-

C. (2013). Local and regional development in

global value chains, production networks and

innovation networks: A comparative review

and the challenges for future research. *European*

*Planning Studies*, *21*(7), 967–988.

Penrose, E. T. (1959). *The theory of the growth of*

*the firm*. Oxford University Press: New York.

Perks, H., Kowalkowski, C., Witell, L., &

Gustafsson, A. (2017). Network orchestration for

value platform development. *Industrial Marketing*

*Management*, *67*, 106-121.

Pietrobelli, C., & Staritz, C. (2018). Upgrading,

interactive learning, and innovation systems in

value chain interventions. *European Journal of*

*Development Research*, *30*(3), 557-574.

Popper, K., & Hansen, T. (Eds.). (2014). *The two*

*fundamental problems of the theory of Knowledge*.

Abingdon-on-Thames: Routledge.

Porter, M. E. (1985). *Competitive advantage:*

*Creating and sustaining superior performance*. New

York: Free Press.

Porter, M. E. (1991). Towards a dynamic theory

of strategy. *Strategic Management Journal*, *12*(2

S), 95-117.

Porter, M. E. (2001). Strategy and the internet.

*Harvard Business Review*, *79*(3), 62-78.

Porter, M. E., & Kramer, M. (2006). Strategy &

society: The link between competitive advantage

and corporate social responsibility. *Harvard*

*Business Review*, *84*(12), 78-92.

Portes, A. (1998). Social capital: Its origins and

applications in modern sociology. *Annual Review*

*of Sociology*, *24*, 1-24.

Powell, W. W., Koput, K. W., & Smith-Doerr,

L. (1996). Interorganizational collaboration and

the locus of innovation: Networks of learning in

biotechnology. *Administrative Science Quarterly*,

*41*(1), 116-145.

Rudberg, M., & Ollager, J. (2003). Manufacturing

networks and supply chains: An operation strategy

perspective. *Omega*, *31*(1), 29-39.

Rugman, A., & Verbeke, A. (2004). A perspective

on regional and global strategies of multinational

enterprises. *Journal of International Business*

*Studies*, *35*(1), 3–18.

Rusbult, C., & Arriaga, X. (1997). Interdependence

theory. In S. Duck (Ed.). *Handbook of personal*

*relationship: Theory, research and interventions* (pp.

221-250). London: John Wiley & Sons.

Sako, M., & Zylberberg, E. (2017). Supplier

strategy in global value chains: Shaping governance

and profiting from upgrading. *Socio-Economic*

*Review*, 1 – 21. doi: https://doi.org/10.1093/

ser/mwx049

Saliola, F., & Zanfei, A. (2009). Multinational

firms, global value chains and the organization

of knowledge transfer. *Research Policy*, *38*(2),

369-381.

Strange, R., & Humphrey, J. (2018). What lies

between market and hierarchy? Insights from

internalization theory and global value chain

theory. *Journal of International Business Studies*.

doi: http://dx.doi.org/10.1057/s41267-018-

0186-0

Sturgeon, T., Van Biesebroeck, J., & Gereffi,

G. (2008). Value chains, networks and clusters:

reframing the global automotive industry. *Journal*

*of Economic Geography*, *8*(3), 297-321.

Tajoli, L. & Felice, G. (2018). Global Value

Chains Participation and Knowledge Spillovers

in Developed and Developing Countries: An

Empirical Investigation. *European Journal of*

*Development Research*, *30*(3), 505-532.

Teece, D. (2010). Business models, business

strategy and innovation. *Long Range Planning*,

*43*(2-3), 172-194.

Teece, D. J., Pisano, G., & Shuen, A (1997).

Dynamic capabilities and strategic management.

*Strategic Management Journal*, *18*(7), 509-533.

Todeva, E. (2006). *Business Networks: Strategy and*

*Structure*. New York: Taylor & Francis.

Todeva, E., & Rakhmatullin, R. (2016a). Industry

global value chains, connectivity and regional

smart specialisation in Europe. *An Overview of*

*Theoretical Approaches and Mapping Methodologies*

(JRC Science for Policy Report, European

Union, EUR 28086 EN). Retrieved from http://

s3platform.jrc.ec.europa.eu/documents/20182/154989/

JRC102801\_lfna28086enn.pdf/04c2d91c-1e88-458da61c-

4a5a12b42653

Todeva, E., & Rakhmatullin, R. (2016b). *Global*

*value chains mapping: Methodology and cases for*

*policy makers*. (JRC Science for Policy Report,

European Union, EUR 28085 EN). Retrieved

from http://s3platform.jrc.ec.europa.eu/-/global-valuechains-

mapping-methodology-and-cases-for-policymakers-

thematic-work-on-value-chain-mapping-inthe-

context-of-smart-specialisation?inheritRedirect=true

Tsai, W., & Ghoshal, S. (1998). Social capital and

value creation: The role of intrafirm networks. *The*

*Academy of Management Journal*, *41*(4), 464-476.

United Nations Conference on Trade and

Development (2013). *World Investment Report*

*2013: Global Value Chains: Investment and*

*Trade for Development*, Geneva and New York:

United Nations Publication, 1-264, Retrieved

from: http://unctad.org/en/publicationslibrary/

diae2013d1\_en.pdf

United Nations Industrial Development

Organization (2009). *Industrial Development*

*Report*. Retrieved from https://www.unido.org/sites/

default/files/2009-02/IDR\_2009\_print\_0.PDF

United Nations (2015). *Transforming our World:*

*The 2030 Agenda for Sustainable Development*.

Retrieved from https://sustainabledevelopment.

un.org/content/documents/21252030%20

Ag enda%2 0f or%2 0Sus t a i n a b le%2 0

Development%20web.pdf

Uzzi, B. (1996). The Sources and Consequences

of Embeddedness for the Economic Performance

of Organizations: The Network Effect. *American*

*Sociological Review*, *61*(4), 674-698.

Uzzi, B. (1997). Social structure and competition in

interfirm networks: The paradox of embeddedness.

*Administrative Science Quarterly*, *42*(1), 35-67.

Verbeke, A., Kano, L., & Yuan, W. (2016).

Inside the regional multinationals: A new value

chain perspective on subsidiary capabilities.

*International Business Review*, *25*(3), 785–793.

Williamson, O. E. (1979). Transaction-Cost

Economics: The Governance of Contractual

Relations. *Journal of Law and Economics*, *22*(2),

233-261

**Supporting Agencies:** The authors acknowledge the support of CAPES, FAPESP, and Sylff - The Ryoichi

Sasakawa Young Leaders Fellowship Fund.

**About the Authors:**

**1. John Humphrey,** Phd, University of Sussex Business School, Brighton BN1 9SL, UK.

Email: humphrey041@gmail.com

ORCID

0000-0001-8647-3607

**2. Emanuela Todeva**, Phd,St. Mary’s University Twickenham London, The School of Management and

Social Sciences, Twickenham TW1 4SX UK.

E-mail: E.Todeva@bcned.co.uk

ORCID

0000-0003-3494-1303

**3. Eduardo Armando**, Pós-Doctoral, University of Surrey, Guildford, UK. E-mail: earmando@terra.com.br

ORCID

0000-0002-4576-1028

**4. Ernesto Giglio**, Pós-Doctoral, Universidade Federal de Lavras, Lavras, Mg, Brazil.

E-mail: ernesto.giglio@gmail.com

ORCID

0000-0001-6193-1421

**Contribution of each author**

Each author should take responsibility for at least one component of the paper. If the article is approved for publication, the authors should indicate in the diagram below, what was the contribution of each.

**Contribution**

**John Humphrey**

**Emanuela Todeva**

**Eduardo Armando**

**Ernesto Giglio**

**1.** Definition of research problem √ √ √ √

**2.** Development of hypotheses or research questions (empirical

studies) √ √

**3.** Development of theoretical propositions (theoretical work) √ √ √

**4.** Theoretical foundation/Literature review √ √ √ √

**5.** Definition of methodological procedures √ √

**6.** Data collection

**7.** Statistical analysis

**8.** Analysis and interpretation of data √

**9.** Critical revision of the manuscript √ √ √

**10.** Manuscript writing √ √ √

**11.** Other (please specify which)

This information will be available in publications as an end notal in accordance with the criteria, policies

and procedures for admission and permanence of scientific journals in SciELO Brazil Collection.