

1. What are some of the key takeaways of the book?

The key takeaways are:

(1) **The benefits to labour in Asian developing countries have improved, not remained stagnant** – shown in increases in minimum wages in the garment suppliers (Bangladesh), more secure work (Sri Lanka), higher wages in grape supply (India). Most of all there are higher wages and more secure employment conditions in China. In India earnings in the IT industry are higher than for employees of comparable qualifications in other industries.

(2) **Women through their employment in GVC-based production have been able to challenge traditionally restrictive gender norms.** They have emerged as independent income earners. Their employment and movement across public spheres in the course of work, have challenged the traditional marking of public spaces, particularly at night, as being 'immoral' for women – this is seen in the case studies of garment workers in Sri Lanka and women in IT and call centres in India.

(3) **Labour in the supplier firms, often in networked partnerships, have been active in carrying out various forms of struggle to improve working conditions.** This finding comes out in studies of garment workers in Bangladesh, automobile workers in India and electronics assemblers (Foxconn) in China.

(4) It is pointed out that **there is a Polanyian double movement of labour in GVCs** – labour is absorbed into GVCs in a manner where market forces dominate the condition of labour, but over time, with worker resistance, supported by international networks and with government actions (e.g. the reform of labour in China to require labour contracts) there is a re-formation of GVCs.

2. How do you think this work contributes to the knowledge of how GVCs work?

Contributions to knowledge of how GVCs work:

(1) **The linking of governance structure of GVCs, through the knowledge requirements of the tasks out-sourced to the capability and skill levels of workers and the quality of their employment is a contribution to the analysis of the manner in which GVCs function.** As Gerry Rodgers, former Director of the ILO's International Institute of Labour Studies, Geneva, pointed out, "this is a major contribution to knowledge of how GVCs work." This process of how GVCs work is explained below.

- a. The governance structure or relations between buyer (lead) and supplier firms are related to the knowledge level of the tasks, and capability level of workers carrying out these tasks in supplier countries. In turn, the knowledge and capability level of workers carrying out these tasks is related to the nature of employment, proxied by security of employment.
- b. Thus, a low-knowledge segment, as in captive governance, such as garment manufacture, has generally a low level of capability of its workers and provides poor quality employment. An intermediate-

knowledge segment, as in modular governance in electronics or automobile assembly, has an intermediate capability and knowledge level of its workers and provides intermediate quality employment. The high knowledge segment, as in relational governance in IT software services, has a high knowledge and capability requirement of its employees and provides higher quality or most secure employment of all out-sourced tasks.

- c. The stylized facts of the knowledge and capability levels of tasks that are out-sourced and of the quality of employment are the keys to understanding the working of GVCs in terms of employment provided in supplier countries.
- d. This works not only in segments as a whole, but also for workers within these segments. Thus, workers performing tasks of different knowledge levels tend to have different security of employment. Differentiation by tasks exists not only between lead and supplier firms, but also within supplier firms themselves.

- (2) At the same time, the struggles of workers in these segments, actions of respective governments and labour market conditions (the ending of the Lewisian supply of surplus labour from agriculture, as in China; or sectoral labour shortages, as in the IT industry in India) mean that GVCs are reformed and do not just remain static.

(3) Thus, the book also contributes to the analysis of GVCs by bringing in the role of labour in re-forming GVCs.

3. Can you outline the pros and cons to Asia's participation as suppliers in GVCs? What are the underlying factors that have contributed to the positives, and what policies that should be implemented to address some of the concerns?

Participation in GVCs has:

- (1) Enabled developing countries in Asia to enter into sectors of production without having to either produce all of a product (e.g. India started by producing parts of software services, not all of them), or having to establish a brand and market its products (e.g. could any Asian country have sold the hundreds of millions of dollars worth of garments, shoes, soft toys, etc. without being supplier firms to international brands and retailers?)
- (2) Enabled developing countries to learn advanced production methods and acquire knowledge of production processes – knowledge that could be used not just for production for the domestic market, but could also be the basis of attempts to upgrade their participation in GVCs.
- (3) Provided employment to many tens of millions in these production segments.
- (4) Enabled tens of millions of women to enter into employment as independent income earners and challenge traditional, restrictive gender norms.

What has contributed to the positives?

- (1) Relatively open trade policies

- (2) An abundant supply of labour of varying educational levels
- (3) Entrepreneurs who have been able to spot and utilize opportunities in various segments of production

Negatives:

- (1) There are still high levels of precarious and even forced labour as migrants or otherwise, including child labour, in various GVC segments.
- (2) Shares of total value earned by supplier firms in GVC production are very low, whether it is in garments or electronics.

Challenges:

- (1) For GVC supplier and countries not to get stuck in low-level or even middle-level traps.
- (2) At an international level to set up mechanisms that can enforce internationally accepted labour standards in GVCs.

4. What are some noteworthy case studies by sector that you highlight in the book?

Case studies that are highlighted:

- (1) Foxconn workers in China producing iPhones and their varied forms of resistance to very stressful production schedules
- (2) Garment workers in Sri Lanka and their change from being 'disposable to empowered'
- (3) Call centre workers in India and their individual resistance struggles against new forms of Taylorism in office work.
- (4) Home-based women workers in garment production in India and their upgrading through community-buyer-government initiatives.

5. Could you describe some of the differences in GVC participation across different Asian countries?

- (1) In overall participation in GVCs China stands out, in contrast to India – high level in China and relatively low, though, increasing in India.
- (2) China's participation in GVCs has had a macro-economic effect, helping to absorb the Lewisian transfer of surplus labour from agriculture and bring about an overall labour shortage. This is still underway in India and not of the same magnitude as in China.
- (3) In relatively small economies, such as Bangladesh or Sri Lanka, the GVC-linked sectors are critical in both employment and export earnings.
- (4) As would be expected a majority of Asian participation in GVCs is at the lower end of the value chain, whether in garments, electronics or IT software.