Economic and Social Upgrading in Global Production Networks: Problems of Theory and Measurement¹

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Abstract: The massive globalization of production led by large firms in industrialized countries, combined with the policy shift in developing countries toward export-oriented growth, has meant that economic development has increasingly become synonymous with “economic upgrading” within global production networks (GPNs), that is, moving into higher productivity and higher value-added aspects of production and export. There is much research on economic upgrading in global production networks, connecting economic growth and economic upgrading to international trade performance. There has been less analysis of what such upgrading means for living standards, including wages, work conditions, economic rights, gender equality and economic security. In this paper, we refer to improvements in these aspects of economic and social life as “social upgrading”. This paper reviews the ways in which economic and social upgrading in GPNs are measured. In this paper we focus mainly on developing countries. In the process we also scrutinize the theoretical connection between these two dimensions of upgrading within GPNs.

¹ Article co-écrit avec Deborah Winkler, World Bank consultant.