

# CAPTURING THE GAINS



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## IMPROVING LINKS BETWEEN ESTABLISHED FIRMS IN THE DEVELOPED WORLD AND EMERGING FIRMS IN THE DEVELOPING WORLD

### A ROUTE OUT OF POVERTY?

Global Summit in Cape Town, 3 – 5 December 2012

Value chains matter for development. Global trade production and services are increasingly outsourced to developing countries. And more than 50% is now channelled through value chains coordinated by big business. Its growth is illustrated by the fact that Walmart is now China's fifth biggest trading partner.

Last year the United Nations Conference on Trade & Development (UNCTAD) estimated that these chains generate over US\$2 trillion of sales in manufacture and services, with millions of people directly employed.

But just how much do these companies know of the conditions in which their products are grown or assembled; the raw materials that go into the products and the environment in which they are produced; the working practices of the local producers and the employment laws of the countries involved?

The international research network, Capturing the Gains, led by the Brooks World Poverty Institute at the University of Manchester (UK) and Duke University (US), aims to ensure that participation in a global economy translates into better jobs for workers in developing countries, promoting decent work and respect for labour standards.

It has been conducting research into the changing dynamics of links between established firms in the developed world and emerging firms in the developing world – and the implications for those smaller producers and workers involved in both value chains.

In its programme of work, researchers from Capturing the Gains have been investigating how resources, materials, workers and producers are deployed in three discrete sectors of global industry - mobile phones, clothing, and food.

They also looked at the role of women across these sectors and found their skills are often undervalued and they are stuck in low-status jobs.

A Global Summit will be held in Cape Town 3 – 5 December 2012 to bring together key decision-makers from the public and private sectors to debate the findings of the research and to agree action plans to encourage economic and social upgrading in value chains across the world.

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Dr Stephanie Barrientos, programme coordinator at the Brooks World Poverty Institute at the University of Manchester, said: 'Millions of people work in these areas. Many are female and migrant, supporting millions more in poor households and communities across the developing world. We know that value chains can provide effective routes out of poverty, and we are working closely with some of the major companies in these particular sectors to help them adapt their sourcing and retailing strategies.'

'More than half the world's trade now depends on value chains. We have been very encouraged by the interest and participation of many big-name companies including Waitrose, Marks & Spencer, Tesco and Sainsbury's, who understand the need for partnerships to improve the economic and social conditions of the overseas workers on whom they depend.'

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## Notes for Editors

Capturing the Gains is led by the Brooks World Poverty Institute at the University of Manchester ([www.bwpi.manchester.ac.uk](http://www.bwpi.manchester.ac.uk)) and the Centre on Globalization, Governance and Competitiveness at Duke University ([www.cggc.duke.edu](http://www.cggc.duke.edu)) and partners with 20 research institutions worldwide.

The Global Summit in Cape Town is co-sponsored by DFID ([www.dfid.gov](http://www.dfid.gov)) and the Rory and Elizabeth Brooks Foundation ([www.brooks-foundation.org](http://www.brooks-foundation.org))

For more information on Capturing the Gains and detail on the Global Summit, please go to [www.capturingthegains.org](http://www.capturingthegains.org).