

Limits to Supply Chain Resilience: A Monopoly Capital Critique

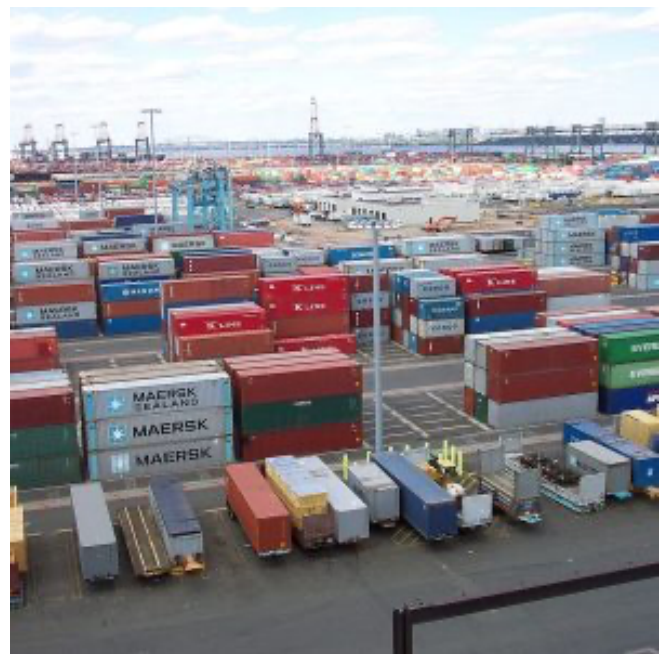
Benjamin Selwyn

As the COVID-19 pandemic expanded across the world in early 2020, it generated the “first global supply chain crisis.”¹ Global supply chains represent the integrative structure of contemporary global capitalism, and any disruption to them potentially threatens the functioning of the system itself.

In response to the crisis, the global supply chain community, encompassing academics and policymakers keen to promote their purported benefits, are proposing ways to increase supply chain “resilience.” The notion has been defined by the World Trade Organization and Asian Development Bank as

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“the ability of these chains to anticipate and prepare for severe disruptions in a way that maximises capacity to absorb shocks, adapt to new realities, and re-establish optimised operations in the shortest possible time.”² Enhanced global supply chain resilience is to be pursued through a range of policies to be implemented by lead firm managers and supported by states.



Thousands of shipping [containers](#) at the terminal at Port Elizabeth, [New Jersey](#) (2004). Image ID: line3174, America's Coastlines Collection. Source: Captain Albert E. Theberge, NOAA Corps (ret.). [Wikimedia](#).

¹ ↪ Stefano Feltri, “[Why Coronavirus Triggered the First Global Supply-Chain Crisis](#),” Promarket (blog), March 5, 2020.

² ↪ Yuqing Xing, Elisabetta Gentile, and David Dollar, *Global Value Chain Development Report 2021* (World Trade Organization, November 2021), 154.

While global supply chains are promoted as generating positive gains—for firms and workers, North and South—there is mounting evidence to suggest that they represent organisational forms of capitalism designed to raise the rate of surplus value extraction from labour by capital and facilitate its geographic transfer from the Global South to the Global North. As demonstrated in a previous Monthly Review article (“World Development under Monopoly Capitalism,” November 2021), global supply chains have contributed to dynamics of concentration in leading firms, and a marked shift in national income from labour to capital across much of the world.³

Capitalism, as Karl Marx observed, is rooted in the exploitation of labour by capital through the latter’s ability to extract surplus value from the former.⁴ It is characterised by dynamics of concentration and centralisation of capital, where fewer and larger firms increasingly dominate each economic sector. These dynamics are intrinsically related to capitalism’s uneven geographical development and the reproduction of geopolitical tensions and rivalries. As Harry Magdoff once wrote:

*Centrifugal and centripetal forces have always coexisted at the very core of the capitalist process.... Periods of peace and harmony have alternated with periods of discord and violence. Generally the mechanism of this alternation involves both economic and military forms of struggle, with the strongest power emerging victorious and enforcing acquiescence on the losers. But uneven development soon takes over, and a period of renewed struggle for hegemony emerges.*⁵

In fact, a recent World Bank publication explicates how the COVID-19 crisis is exacerbating capitalism’s inner monopolistic tendencies:

*COVID-19 could cause a further rise in corporations’ market power because large corporations are in the best position to withstand the economic downturn and deploy new technologies.... In the past three recessions, the share prices of US firms in the top quartile across 10 sectors rose by an average of 6 percent whereas the share prices of those in the bottom quartile fell by 44 percent. The same divergence has been evident since the start of the COVID-19 outbreak.*⁶

This article argues that the resilience agenda represents an ideological justification and fortification of these very same tendencies—of labour exploitation, of concentration and centralisation of capital, and of an increasingly geopolitical dimension to capitalist competition.

Following this introduction, the first section of this article outlines the emerging notion of resilience as formulated within the global supply chain community. The next section discusses how the first response by firms and states to the COVID-19 crisis was to make workers bear the brunt of the crisis. The concluding section identifies the geopolitical

³ ↪ Benjamin Selwyn and Dara Leyden, “World Development under Monopoly Capitalism,” *Monthly Review* 73, no. 6 (November 2021): 15–28. See also Intan Suwandi, *Value Chains: The New Economic Imperialism* (New York: Monthly Review Press, 2019); John Smith, “The GDP Illusion,” *Monthly Review* 64, no. 3 (July–August 2012): 86–102; John Bellamy Foster, Robert W. McChesney, and R. Jamil Jonna, “The Internationalization of Monopoly Capital,” *Monthly Review* 63, no. 2 (June 2011): 1; John Bellamy Foster, and Intan Suwandi, “COVID-19 and Catastrophe Capitalism,” — The Jus Semper Global Alliance, September 2020

⁴ ↪ Karl Marx, *Capital*, vol. 1 (London: Penguin, 1990).

⁵ ↪ Harry Magdoff, *Globalization: To What End?* (New York: Monthly Review Press, 1992), 4–5.

⁶ ↪ Christine Zhenwei Qiang, Yan Liu, and Victor Steenbergen, *Global Value Chains in the Time of COVID-19 (Coronavirus)* (World Bank, 2021), 202.

Enhanced supply chain resilience, entailing expanded leading-firm power over suppliers and greater control by capital over labour throughout and across supply chains.

dynamics of resilience, focusing on the White House's 2021 report, Building Resilient Supply Chains, Revitalising American Manufacturing, and Fostering Broad-Based Growth.⁷

Resilience in Global Supply Chains

The supply chain community's response to the COVID-19 pandemic has been to call for enhanced supply chain resilience, entailing expanded leading-firm power over suppliers and greater control by capital over labour throughout and across supply chains. The resilience agenda is a response to the flaws of the just-in-time model of production, wherein increasing numbers of firms reduced their inventories, relying instead upon cheaper (and for some time) more efficient speedy delivery systems. However, this model magnifies so-called bullwhip and ripple effects: situations where small disturbances at one node in the supply chain generate increasingly large disruptions further up or down the chain.⁸ As Peter Hasenkamp, former director of Tesla's supply chain strategy, noted, "It takes 2,500 parts to build a car, but only one not to."⁹

In response to heightened risks, firms are advised to enhance supply chain resilience by introducing:

- New products, which enable easier replacement of standardised inputs, and the establishment of buffer stocks;
- New forms of chain governance, that involve risk analysis of both places and suppliers;
- Resilience monitoring, through assessing recovery time required by suppliers in response to shocks in the chain;
- Re-shoring or near-shoring production.¹⁰

Supply chain mapping is posited as a key element of lead firms' resilience strategy. In a Harvard Business Review article, Willy C. Shih highlights how it "entails going far beyond the first and second tiers and mapping your full supply chain, including distribution facilities and transportation hubs" to identifying suppliers' capacity to withstand shocks.¹¹ The deployment of new technologies will be essential, as "firms are increasingly looking to robotics to augment locked-down employees, support health and safety measures, and tap into new opportunities or salvage their operations."¹² New dynamics of outsourcing are posited as enabling cost efficiencies: "By geographically broadening their supplier bases, MNCs [multinational corporations] are more likely to cut production costs by offering more competitive [that is, lower] wages at the local level and more likely to better serve local customers by tailoring products to their demands."¹³

A McKinsey survey of supply chain executives across different industries in July 2020 found that 93 percent aimed to enhance their supply chain resilience, and that 90 percent aimed to increase the use of in-house digital technologies to do so. Of the executives, 70 percent and 55 percent thought that re-skilling current employees and recruiting new

⁷ ↪ Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth (Washington, DC: White House, 2021).

⁸ ↪ Benjamin Selwyn, "Bringing Social Relations Back In: (Re) Conceptualising the 'Bullwhip Effect' in Global Commodity Chains," *International Journal of Management Concepts and Philosophy* 3, no. 2 (2008): 156–75.

⁹ ↪ Cited in Patrick McGee and Andrew Edgecliffe-Johnson, "Companies' Supply Chains Vulnerable to Coronavirus Shocks," *Financial Times*, March 9, 2020.

¹⁰ ↪ Sébastien Miroudot, "Resilience versus Robustness in Global Value Chains," Centre for Economic Policy Research, June 18, 2020; Richard Baldwin and Simon Evenett, eds., *COVID-19 and Trade Policy* (London: UK International Chamber of Commerce, 2022); McKinsey Global Institute, *Risk, Resilience, and Rebalancing in Global Value Chains* (2020).

¹¹ ↪ Willy Shih, "Global Supply Chains in a Post-Pandemic World," *Harvard Business Review*, September–October 2020.

¹² ↪ Qiang et al., *Global Value Chains in the Time of COVID-19*, 201.

¹³ ↪ Qiang et al., *Global Value Chains in the Time of COVID-19*, 204.

workers, respectively, would facilitate this endeavour. A mid-2021 follow-up survey found that almost 90 percent of the executives expected to pursue “some degree of regionalisation” within the next three years.¹⁴

The above-noted policies imply an escalation of capitalism’s core tendencies of concentration and centralisation. This is because the costs of implementing elements of the resilience agenda, such as supply chain mapping, are often prohibitively expensive. As Shih notes, “Executives of a Japanese semiconductor manufacturer told us that it took a team of one hundred people more than a year to map the company’s supply networks deep into the sub-tiers following the earthquake and tsunami in 2011.”¹⁵ Only the biggest and best-resourced lead firms will have the resources to comprehensively implement such strategies.

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Intrinsic to notions of supply chain mapping is enhanced surveillance by lead firms over supplier firms. Even mainstream supply chain commentators note how such dynamics may generate “a rather paradoxical co-evolution of surveillance and collaboration wherein companies will be more watchful of their suppliers’ actions and capabilities while collaborating with them to strengthen their capabilities.”¹⁶ The concentration and ownership of information by lead firms about their suppliers is part and parcel of what Ugo Pagano calls intellectual monopoly capitalism, where information becomes an increasingly essential part of supply chain management and interfirm surplus value appropriation.¹⁷

H&M, Next, Lidl, and Zara’s owner, Inditex, have been accused by hundreds of Bangladeshi garment suppliers of paying them less than production costs during the COVID pandemic.

Practices imposed by lead firms upon their suppliers, such as requiring the latter to open their books, are being used to augment lead-firm power and to exert further control throughout the supply chain by, for example, determining from whom suppliers source inputs and at what prices.¹⁸ In a recent case, H&M, Next, Lidl, and Zara’s owner, Inditex, have been accused by hundreds of Bangladeshi garment suppliers of paying them less than production costs during the COVID pandemic.¹⁹

The reshoring narrative was deployed by former U.S. president Donald Trump in his “America First” agenda, claiming that by “bringing back” production to the United States from locations such as China and Mexico, his policies would restore industries and jobs from before the current neoliberal era. However, his agenda attracted few global firms (back) to the United States—unsurprisingly, given global wage differentials in which wages in China are still a fraction of U.S. wages.²⁰ For example, in 2017 Trump hailed Foxconn’s plans to invest \$10 billion in Wisconsin, generating 13,000 blue-collar jobs. By 2021, the Taiwanese electronics giant had reduced its investments to under \$1 billion with fewer than

¹⁴ ↪ Knut Alicke, Ed Barriball, and Vera Trautwein, “How COVID-19 Is Reshaping Supply Chains,” McKinsey & Company, November 23, 2021.

¹⁵ ↪ Shih, “Global Supply Chains in a Post-Pandemic World.”

¹⁶ ↪ Rajat Panwar, Jonatan Pinkse, and Valentina De Marchi, “The Future of Global Supply Chains in a Post-COVID-19 World,” *California Management Review* 64, no. 2 (2022).

¹⁷ ↪ Ugo Pagano, “The Crisis of Intellectual Monopoly Capitalism,” *Cambridge Journal of Economics* 38, no. 6 (2014): 1409–29; Cecilia Rikap, *Capitalism, Power and Innovation* (London: Routledge, 2021).

¹⁸ ↪ Doug Miller, “Towards Sustainable Labour Costing in UK Fashion Retail,” *SSRN* (2013).

¹⁹ ↪ Sarah Butler, “[Lidl, Zara’s owner, H&M and Next ‘Paid Bangladesh Suppliers Less than Production Cost.’](#)” *Gua*

²⁰ ↪ Suwandi, *Value Chains*.

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1,500 expected new (mostly white-collar) jobs blaming relatively high U.S. labour costs.²¹ As the Financial Times noted, “coronavirus-induced ‘reshoring’ is not happening.”²²

It is not just the enhanced power of giant firms that is being promoted and facilitated by the resilience agenda, but also heightened labour exploitation. The mainstream resilience literature openly advocates certain forms of enhanced labour exploitation (described as “enhancing labour productivity”) as part of its strategy, while hiding other forms.

Supply Chain Resilience—through Class Struggle from Above

The first response by many firms and states to the COVID-19 pandemic and concomitant lockdowns was to seek ways in which to increase labour exploitation in key supply chains. They did so through handing state (public) subsidies to big corporations while presiding over dangerous conditions, wage theft, and deployment of unfree labour and forced wage labour.

A study of garment workers in Ethiopia, Honduras, India, and Myanmar found sharp declines in working conditions and

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an 11 percent average decline in pay. Income loss occurred because of “less opportunity for overtime; not being paid the appropriate overtime rate; unfair deductions from wages; unpaid work; late wages; severance pay theft for workers who have been terminated; and unpaid wages for workers who have been temporarily suspended.”²³

In the early days of the pandemic in April 2020, the U.S. government pushed through legislation forcing workers to labour in unsafe working conditions. Then-President Trump deployed the Defense Protection Act to force meat processing companies to stay open amid fears of meat shortages. The act, supported by Tyson—the United States’ largest meat-processing company—reduced companies’ liability to their workers for remaining open and potentially exposing them to the COVID-19 virus.²⁴

Around the same time, Vietnamese electronics exports boomed as the country appeared to have successfully implemented a zero-COVID strategy. However, by May 2020, COVID-19 cases began to spike, and worrying for the government and for exporters, cases were clustered in industrial districts. In response, the government told manufacturers to either shut down or find ways of maintaining operations by isolating workers from the wider

In the provinces of Bac Ninh and Bac Giang, located east of Hanoi, Samsung Vietnam formulated a “three-on-site” containment policy, where workers worked, ate, and slept in the same area.

population. In the provinces of Bac Ninh and Bac Giang, located east of Hanoi, Samsung Vietnam formulated a “three-on-site” containment policy, where workers worked, ate, and slept in the same area. Lam Le reported what this arrangement meant for workers: “[Workers] were moved

onto the factory’s premises. The lines between their workplace and home evaporated. For nearly three weeks, Nam slept

²¹ ↪ David Shepardson and Karen Pierog, “Foxconn Mostly Abandons \$10 Billion Wisconsin Project Touted by Trump,” Reuters, April 20, 2021.

²² ↪ Alan Beattie “Coronavirus-Induced ‘Reshoring’ Is Not Happening,” *Financial Times*, September 30, 2020.

²³ ↪ Genevieve LeBaron, Penelope Kyritsis, Perla Polanco Leal, and Michael Marshall, *The Unequal Impacts of Covid-19 on Global Garment Supply Chains* (Sheffield: University of Sheffield, 2021).

²⁴ ↪ Demetre Sevastopulo, Aime Williams, and Gregory Meyer, “Donald Trump Orders Meat-Processing Plants to Stay Open,” *Financial Times*, April 29, 2020.

with a blanket on a mattress in a warehouse alongside around 100 other male colleagues, moving between there, the company canteen and the production line in what felt like a twilight of unending work. His life revolved around screens.”²⁵

Some companies responded to the skyrocketing demand for personal protective equipment during the pandemic by forcing workers to labour. Malaysia and China were two important sources for this production, and both presided over increased incidences of forced labour, says the U.S. Bureau of International Labour Affairs (BILA). The majority of the almost two billion medical examination gloves used (mostly across core states) during the first six months of the pandemic were sourced from Malaysia. Forced labour is endemic throughout this sector, to the extent that the BILA includes Malaysian rubber gloves in its official list of goods produced by child or forced labour. According to the bureau:

*Forced labour predominately occurs among migrant labourers from Bangladesh, India, Myanmar, and Nepal working in more than 100 rubber glove factories throughout Malaysia. Reports indicate that there are an estimated 42,500 migrant workers employed in the Malaysian rubber glove industry. Workers are frequently subject to high recruitment fees to secure employment that often keeps them in debt bondage; forced to work overtime in excess of the time allowed by Malaysian law; and work in factories where temperatures can reach dangerous levels. Additionally, labourers work under the threat of penalties, which include the withholding of wages, restricted movement, and the withholding of their identification documents.*²⁶

But it is not only through wage repression, wage theft, and forced labour that firms along the supply chain enhance their resilience. Part and parcel of the resilience agenda is the promotion of new, often digital, technologies to raise labour exploitation and firm profitability. In fact, giant lead firms are investing heavily in digitalisation, robotisation, and automation to achieve these objectives. In the global warehouse sub-sector, for example, the automation market is projected to increase from \$15 billion in 2019 to \$30 billion by 2026.²⁷ Amazon is at the forefront of these innovations, which seek evermore to subordinate workers to machines. As Sarah O’Connor reports in the Financial Times:

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*Chuck is an autonomous robot trolley which leads a human picker through a warehouse from one shelf to the next. 6 River Systems, which sells or rents the robots to warehouse operators such as DHL, XPO Logistics and Office Depot, says the technology relieves strain on workers because they no longer have to push a trolley around. But Chuck also sets a relentless pace.... A 6 River Systems “business case” report says workers who set their own pace “travel only half as fast as when they follow Chuck [and] their speed without Chuck also fluctuates wildly.”*²⁸

The human developmental consequences of ever-greater subordination of workers to machines are predictably dire. In a survey of 145 workers at an automated Amazon warehouse on Staten Island, 66 percent experienced physical pain while working (in their shoulders, hands, back, ankles, and knees) and 42 percent continued to

“humans are being crunched into a robot system working at a robot pace.”

²⁵ ↩ Lam Le, “Workers in Vietnam Lived inside Factories to Keep Samsung’s Products on Shelves During the Pandemic,” Rest of World (blog), November 22, 2021.

²⁶ ↩ S. Bureau of International Labor Affairs, List of Goods Produced by Child Labor or Forced Labor (Washington, DC: Department of Labor, 2022)

²⁷ ↩ Sarah O’Connor, “Why I Was Wrong to Be Optimistic about Robots,” *Financial Times*, February 9, 2021.

²⁸ ↩ O’Connor, “Why I Was Wrong to Be Optimistic about Robots.”

experience pain outside work.²⁹ As O'Connor notes, "humans are being crunched into a robot system working at a robot pace."³⁰

Remote work boomed during the COVID-19 pandemic as increased numbers of "white collar" workers began working

Remote workers are subject to so-called algorithmic management—"continuous tracking of workers' performance, automated decision-making about tasks and evaluations of client feedback"—while undertaking a range of unpaid tasks that are essential to their jobs.

from home. These workers are subject to so-called algorithmic management—"continuous tracking of workers' performance, automated decision-making about tasks and evaluations of client feedback"—while undertaking a range of unpaid tasks that are essential to their jobs.³¹ Antonio Aloisie and Valerio de Stefano list the proliferation of surveillance technology at the disposal of employers:

Activtrack monitors the programs used and tells managers if the employee is distracted and wasting time on social media. HubStaff takes snapshots of employees' computers every five minutes. Time Doctor and Teramind keep track of every action conducted online. Interguard compiles a minute-by-minute timeline that considers every piece of data, such as web history and bandwidth utilisation, and sends a notification to managers if workers' activities appear suspicious and when they exhibit a combination of flagged behaviours. OccupEye records when and for how long someone is away from their workstation. Sneek continuously takes photos of colleagues to generate a timecard and circulates them to keep the team's mood up. Afinity pairs customers with agents according to demographic data. Pesto synchronises professional calendars and music playlists to create a sense of community; it also has a facial recognition feature that can display a worker's real-world emotion on their virtual avatar's face.³²

Working from home has also been accompanied by a significant increase in the length of the work day. The Harvard

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Business Review noted that, in the United States, "the length of the average workday increased by 48,5 minutes during lockdown in the early weeks of the pandemic.... We estimate that the best organisations have seen productive time increase

by 5 percent or more."³³

Resilience as Geopolitics

The supply chain resilience agenda has been adopted by the U.S. state in its attempts to constrain China's rise through economic, political, and geopolitical means. The United States benefits from access to China's labour force—the world's largest—with wages and social reproduction costs held down by the Hukou (household registration) system.³⁴ The system divides China's working class according to the location of a worker's birth and denies workers of rural origin the relative social benefits and protections enjoyed by urbanites. It also includes the ability of local states to compel rural

²⁹ ↪ New York Committee for Occupational Safety and Health, *Time Off Task: Pressure, Pain, and Productivity at Amazon* (2019).

³⁰ ↪ O'Connor, "Why I Was Wrong to Be Optimistic about Robots."

³¹ ↪ John Michael Roberts, *Digital, Class, Work* (Edinburgh: Edinburgh University Press, 2022), 176.

³² ↪ Antonio Aloisie and Valerio De Stefano, "Essential Jobs, Remote Work and Digital Surveillance," *International Labour Review* 161, no. 2 (2022): 298.

³³ ↪ Eric Garton and Michael Mankins, "The Pandemic Is Widening a Corporate Productivity Gap," *Harvard Business Review*, December 1, 2020.

³⁴ ↪ John Bellamy Foster, "The New Cold War on China," *Monthly Review* 73, no. 3 (July–August 2021): 1–20; Tiejun Cheng and Mark Selden, "The Origins and Social Consequences of China's Hukou System," *China Quarterly*, no. 139 (1994): 644–68.

workers to return to their places of origin. In this way, the system reproduces a vulnerable labouring class, ripe for exploitation by firms such as Foxconn.

However, China's state-managed integration into the world economy, first as an export assembly platform but increasingly as a producer of high-tech products, has accelerated the formation of its capitalist class and strengthened the Chinese state, together gaining the ability to challenge U.S. economic hegemony.³⁵

This began to worry U.S. policymakers who, at least since President Barack Obama's pivot to Asia, have responded by formulating political, economic, and military strategies to constrain China's rise.³⁶ This containment strategy represents an attempt to maintain China in a semi-peripheral position by forestalling its attempts at becoming part of the core of the world economy. As Minqi Li puts it, "although China has developed an exploitative relationship with South Asia, Africa, and other raw material exporters, on the whole, [it] continues to transfer a greater amount of surplus value to the core countries in the capitalist world system than it receives from the periphery."³⁷

Maintaining this pattern of surplus value transfer (so that China's working class effectively services core economy firms) and limiting China's regional influence is part and parcel of U.S. containment strategy. During his election campaign, President Joe Biden was explicit in identifying China's perceived threats to U.S. business, arguing that:

*The United States does need to get tough with China. If China has its way, it will keep robbing the United States and American companies of their technology and intellectual property. It will also keep using subsidies to give its state-owned enterprises an unfair advantage—and a leg up on dominating the technologies and industries of the future. The most effective way to meet that challenge is to build a united front of US allies and partners to confront China's abusive behaviours.*³⁸

The supply chain resilience concept has been invoked significantly by the U.S. state as part of its efforts to contain China. Part of the resilience agenda is to highlight the importance of supply chain diversification, especially away from excessive reliance upon Chinese production, often referred to as the "plus one" strategy.³⁹ Whether or not academics advocating these types of strategies are purposefully buying into a Sinophobic agenda is an open question. But the U.S. state is deploying the resilience agenda for explicitly geopolitical objectives. In a speech addressing the U.S. response to the global supply chain crisis, with implicit continuities to former president Trump's "Make America Great Again" economic agenda, President Biden argued that:

*The United States needs resilient, diverse, and secure supply chains to ensure our economic prosperity and national security.... Resilient American supply chains will revitalise and rebuild domestic manufacturing capacity, maintain America's competitive edge in research and development, and create well-paying jobs. They will also support small businesses, promote prosperity, advance the fight against climate change, and encourage economic growth in communities of color and economically distressed areas.*⁴⁰

³⁵ ↪ Steven Rolf, *China's Uneven and Combined Development* (London: Palgrave Macmillan, 2021).

³⁶ ↪ Foster, "The New Cold War on China."

³⁷ ↪ Minqi Li, "China: Imperialism or Semi-Periphery?," *Monthly Review* 73, no. 3 (July–August 2021): 47.

³⁸ ↪ Joseph R. Biden, "Why America Must Lead Again," *Foreign Affairs* 99, no. 2 (2020).

³⁹ ↪ Peter Enderwick, "A 'China-Plus-One' Strategy," *Human Systems Management* 30, no. 1 (2011): 85–96.

⁴⁰ ↪ White House, "Executive Order on America's Supply Chains," February 24, 2021.

Four months later, the White House published its report entitled Building Resilient Supply Chains, Revitalising American Manufacturing, and Fostering Broad-Based Growth.⁴¹ The report expressed concern that the U.S. economy was potentially vulnerable to supply chain shocks in four key industries—rare-earth minerals for telecommunications and other core electronics sectors, semiconductors, active pharmaceutical ingredients, and advanced batteries for large-scale utilities and electric vehicles—and proposed a range of measures to enhance supply chain resilience.

The geopolitical element of the resilience agenda is often couched in Sinophobic or general-interest terms, or both. For example, Rajat Panwar, Jonatan Pinkse, and Valentina de Marchi argue how the White House report mentioned above raises concerns about “aggressive industrial development policies of other countries, especially China.”⁴² A recent Organization for

Economic Cooperation and Development report highlights China’s increasing dominance of many core materials and intermediate inputs. Consequentially, “supply chains characterised by low diversity of suppliers or buyers can indeed increase the probability of disruption and can magnify the propagation of shocks.”⁴³

The White House report is much more explicit about U.S. geopolitical concerns and objectives. China is mentioned 458 times, signifying an increasingly visible geopolitical dynamic in the world of global supply chains. For example, “China was estimated to control 55 percent of global rare earths mining capacity in 2020 and 85 percent of rare earths refining. The United States must secure reliable and sustainable supplies of critical minerals and metals to ensure resilience across U.S. manufacturing and defence needs.”⁴⁴

Using the time-honoured ideology of upholding free trade principles, the report also notes how “China stands out for its aggressive use of measures—many of which are well outside globally accepted fair trading practices—to stimulate domestic production and capture global market share in critical supply chains.”⁴⁵ Indeed, the U.S. state openly interprets supply chain resilience in geopolitical terms: “the United States has a strong national interest in U.S. allies and partners improving the resilience of their critical supply chains in face of challenges—such as the COVID-19 pandemic, extreme weather events due to climate change, and geopolitical competition with China—that affect both the United States and our allies.”⁴⁶

Politically and economically, Biden’s response to the global supply chain crisis is meant to signal Washington’s willingness and ability to undertake gigantic investments in research and development, infrastructure (sea ports, airports, highways, and logistics infrastructure, including warehouses and transport terminals), and directly in manufacturing. Federal investments of taxpayer dollars will be dedicated to revamping the foundations of global supply chains dominated by U.S.-based private capital, representing another huge public subsidy to the private sector. Recent gestures by the U.S. government, from Nancy Pelosi’s visit to Taiwan to Biden’s recent restatement of the intent to use U.S.

⁴¹ ↪ White House, “Executive Order on America’s Supply Chains.”

⁴² ↪ Panwar, Pinkse, and De Marchi, “The Future of Global Supply Chains in a Post-COVID-19 World,” 10.

⁴³ ↪ Christine Arriola et al., “Efficiency and Risks in Global Value Chains in the Context of COVID-19,” OECD Economic Department Working Paper 1637 (2020).

⁴⁴ ↪ White House, Building Resilient Supply Chains, 6, 9.

⁴⁵ ↪ White House, Building Resilient Supply Chains, 11.

⁴⁶ ↪ White House, Building Resilient Supply Chains, 12.

military force to defend the island from potential aggression from Beijing, represent a broader program of containing China's rise.⁴⁷

Conclusions

The global supply chain resilience agenda is being promoted by corporations, academics, policymakers, and politicians upon the assumption that global supply chains are the most beneficial form of contemporary capitalist organisation. This article argues, by contrast, that global supply chains represent the latest phase of organised capitalist expansion and exploitation, and the resilience agenda aims to fortify these relations.

For advocates of the resilience agenda, enhanced lead firm surveillance (control) over suppliers signals a potential way

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of reviving global supply chains, as does the deployment of digital technologies to increase workers' productive efficiency. From the monopoly capital perspective, by contrast, these proposals represent strategies to accelerate dynamics of concentration and centralisation of capital within and through the expansion of lead firm power and the attempt to raise the rate of labour exploitation. While advocates of supply chain resilience refer to the dangers of over-reliance upon China for

key inputs, the United States is actively deploying the concept to advance its geopolitical containment agenda. At times, academic analysis and U.S. state objectives seem to overlap in ways that suggest the former are not as impartial as they would like to appear.

While the resilience agenda seeks to revive global supply chains, it is in fact contributing to policies that are hastening the concentration and centralisation of capital and increasing geopolitical dimensions of capitalist competition. Far from contributing to a more stable global political economy for the economic benefit of all, the supply chain resilience agenda represents an attempt to reassert the power of monopoly capital in core economies over subordinate capitals, peripheral and semi-peripheral states, and above all, over labour.



⁴⁷ ↩ Vincent Ni, "Joe Biden Again Says US Forces Would Defend Taiwan from Chinese Attack," *Guardian*, September 19, 2022.

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