

A STATE-DRIVEN TRANSFORMATION OF GVCS? THE BATTERY SECTOR

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International Political Economy (IPE) &

Global Value Chain (GVC) research

CONTEXT

- Uneven development & economic activity organized and governed in GVCs marked by asymmetric power dynamics
- The rise of China in the world economy challenges previous core-periphery structures
- Geo-economic turn in economic policy-making & changing state-market relations in the EU
- The green transition as major transformative moment and challenge
- Debates about a return of the state, e.g. “Return of industrial policy” (Wade, 2014) & “Re-centered state” (Bartley, 2014) in sustainability governance

RESEARCH QUESTION AND KEY ARGUMENT

Is economic statecraft changing beyond regulatory modes of intervention, and how?

Preliminary: Only gradually moving away from the primacy of neoliberal governance

Paper 1: Gräf, H., & Schmalz, S. (2023). Avoiding the China shock: How Chinese state-backed internationalization drives changes in European economic governance. Competition & Change (in print). <https://doi.org/10.1177/10245294231207990>.

→ Chinese competition in core sectors of the economy as causal driver for new industrial policy initiatives due to changes of policy preferences among German social forces at the EU-level

Paper 2: Gräf, H. (2024). A Regulatory-Developmental Turn Within EU Industrial Policy? The Case of the Battery IPCEIs', Politics and Governance, 12. <https://doi.org/10.17645/pag.8188>

→ Developmental state functions within an overall EU horizontal industrial policy paradigm and institutional framework marked by regulatory governance

Paper 3: New Labor Governance? The German Due Diligence Law and National Governance Mechanisms in Brazil [Under Review]

- Requires complementary national governance systems
- A new form of transnational horizontal-vertical labor governance
- A continuation of ‘outsourced governance’ to organized labor

Paper 4: Dünhaupt, Gräf, Jiménez & Jungmann (2025). Industrial Policy Space in Emerging Economies: The Case of Chile's Lithium Industry and the Energy and Raw Materials Chapter in the EU-Chile Free Trade Agreement. IPE Working Paper, No. 251/2025 [Under Review]

- "Kicking away the [green] ladder” for resource-rich countries to move up GVCs?
- Due to negotiation power, the modernised EU-Chile free trade agreement (Energy and Raw Materials Chapter) aligns with Chile's current lithium industrial policy centered on preferential pricing for firms investing in higher-value added processes yet narrows future policy space