

### Further reading

- Gereffi (1994) and Gereffi et al. (2005) are two seminal statements on the global commodity/value chain perspective. See Dicken et al. (2001) for a geographical critique.
- Hughes and Reimer (2004) provide a wide range of geographical studies of commodity chains.
- For more details on the hard disk drive, catfish, fresh vegetable and coffee commodity chains described in this chapter, see Gourevitch et al. (2000), Duval-Diop and Grimes (2005), Dolan and Humphrey (2004), and Ponte (2002), respectively.
- Hartwick (2000) discusses a wide range of potential strategies of consumer politics, while Friedberg (2004) and Hughes (2005) offer more critical takes on consumption-based strategies.
- Henderson et al. (2002) and Barrett et al. (2004) discuss the potential for developing a production/commodity *network* approach to global economic formations.

### Sample essay questions

- How does a commodity chain approach enable us to reconnect distant producers and consumers in the global economy?
- How and why are commodity chains governed in different ways?
- In what ways might the institutional contexts of a commodity chain affect its structure and operation?
- What are the pros and cons of adopting consumption-based approaches to commodity chain regulation?
- What are the potential advantages of a network-informed understanding of global economic connections?

### Resources for further learning

- <http://www.globalvaluechains.org>: this site contains a wealth of conceptual and empirical material on global value chains.
- <http://www.unido.org>: the United Nations Industrial Development Organization (UNIDO) website also offers a wide range of data and reports on different commodity chains and the potential they offer for economic development in different localities.
- <http://www.ico.org/index.asp>: the website of the International Coffee Organization provides a range of information on the coffee industry, and in particular, its evolving regulatory structures.

- <http://www.fairtrade.org.uk>: the UK's Fairtrade Foundation is one of the best-known attempts to improve the economic returns offered to commodity producers.
- <http://www.iso.org/iso/en/ISOOnline.frontpage>: The International Standard's Organization's website is rich in information on a variety of international standard schemes.

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## CHAPTER 5

# TECHNOLOGY AND AGGLOMERATION

## Does technology eradicate distance?

### Aims

- To demonstrate how certain kinds of technologies can be used to transcend time and space
- To appreciate the limits of the spatial impacts of technology on economic systems
- To understand why proximity still matters for many different kinds of economic activity
- To reflect on the importance of *relational* proximity in shaping contemporary economic geographies.

### 5.1 Introduction

eBay has been one of the few undisputed economic successes of the Internet age. The online auction site was established in the US in October 1995. By 2005, 150 million users worldwide were buying and selling goods worth over US\$40 billion, producing a profit of over US\$1 billion for the company. The basic principles underlying eBay are simple. While anyone can browse its website, both buyers and sellers have to register. Buyers – after searching through over 40,000 different types and subcategories of goods – enter the most they are prepared to pay for an item. eBay then bids on their behalf in pre-determined increments, or the shopper can buy instantly in some instances. The company makes its money from the 'registration fee' paid by the seller and a final-value fee on goods that are sold. eBay facilitates the processing of credit card payments through its PayPal system, but buyers may incur other costs associated with shipping, taxes, and import duties. The basic honesty trading system is protected by feedback profiling that records the online reputation of buyers and