# REVIEW OF VALUE CHAIN CONCEPTS

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**Relevance**

A feature of the modern global economy is the fragmentation of technological processes into component stages with the location of production facilities and auxiliary operations responsible for their implementation in different countries. This is reflected in the growth in the share of supplies of products of intermediate technological stages and semi-finished products in exports and imports, while the supply of finished products is decreasing. The organizational formats of such relations are both intra-company integration interactions of multinational enterprises and international cooperation of independent partners. In the literature, this phenomenon has been called "global value chains" (GVCs).

In its essence, global value chains are a sustainable mechanism for increasing value at different stages of technological and infrastructural processes, which is the result of the interaction of their participants from different countries in the production and sale of goods and services. The main motives for their creation are the optimization of costs and taxation due to the difference in national jurisdictions. GVCs also make it possible to expand export markets for producers, ensure their competitiveness in the domestic market, help attract foreign investment, diffuse the foreign innovative technologies used, as well as increase the level of employment and incomes of the population. In world practice, the problems of the functioning of global value chains attract attention primarily from the standpoint of collecting information for the statistical observation of economic processes in the system of national accounts in countries that are members of economic associations and unions. So, back in 2007, the Conference of European Statisticians (CES) established a group of experts to determine the impact of globalization on national accounts, which was organized jointly by the United Nations Economic Commission for Europe (UNECE), the European Union Statistical Service (Eurostat) and the Economic Cooperation Organization and development (OECD). And later, the CES Bureau created the Task Force on Global Production (TFGP), whose task is to study practice, develop conceptual issues and measure processes [1].

Due to their high importance for the economies of countries, global chains have become the focus of attention of many international institutions: the Group of Twenty (G20), the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO).

Previous research. The study of value chains presents a fairly wide range of work. The origin of the concept itself can be attributed to the second half of the 20th century, when the chain began to be widely used in strategic competitive analysis.

In particular, M. Porter [2] proposed a classical chain consisting of five main (supply logistics, production, distribution logistics, sales, after-sales service) and four auxiliary links (infrastructure, personnel, research, procurement), the implementation of which determines the transformation of resources and leads to the creation of goods (services) that have value for the client, for which he is willing to pay. At the same time, different links are implemented by different entities (only one link can be assigned to one company).

Further research developed within the framework of the theory of the firm. Here we can highlight the works of Edith Penrose [3] with her resource concept of building transnational corporations, which explained the desire for cooperation by the presence of specific resources and competencies in the partner company that are attractive from the point of view of minimizing costs. Moreover, an important point is the structural design of such joint activities: either in the form of market cooperation, or in the form of vertical integration. If the activities of interacting firms are complementary and have small differences, then integration is more likely. And activities with low complementarity among themselves are more likely to be coordinated by the market. The works of researchers in the field of network economy (Juan Carlos Jarillo [4], Walter Powell [5], etc.) expanded the list of factors influencing the choice of the form of organization, and singled out such factors as trust in relation to manifestations of opportunism, regularity of transactions, interdependence.

In the 2000s the contexts of evaluating resource provision, production feasibility and organizational configuration were supplemented with new content related to the study of business schemes involving an international division of labor. And more and more emphasis is shifting from issues of international industrial cooperation to the problems of mastering global markets. The leading role in this was played by the issues of managing the interaction patterns of participants in global chains and assessing the benefits that they acquired in this process. In this regard, T.A. Meshkova and E.R. Moiseechev [6] identified two conditional theoretical schools: internationalism and industrialism. The direction of internationalism, represented by such researchers as G. Gereffi [7], R. Kaplinsky [8], paid more attention to the macroeconomic aspects of GVCs, both in terms of methodology, objects of analysis, and in relation to recommendations. They referred to the key types of management within the GVCs:

1) legislative, aimed at establishing the rules and conditions for the functioning of participants;
2) controlling, focusing on constant monitoring and control of the activities of participants;
3) executive, sharpened on the provision of rules by the participants.

Industrialists, in turn, focused their attention on the micro level and tried to develop their recommendations regarding the development of industries and local clusters from the point of view of countries (for example, electronics, agriculture, etc.).

The relevance of the issue in relation to the development of the CIS (Commonwealth independent states) has attracted the well-deserved attention of domestic researchers. In addition to those mentioned by T.A. Meshkova and E.R. Moiseechev [6], who consider the concept of GVCs in the context of interaction between international organizations, one can single out the studies of T.V. Andreeva [9], V.B. Kondratiev [10], V.V. Perskoy [11], A.N. Ponomarenko, K. Yu. Muradov [12], I.A. Zhuravleva [13] and others.

In particular, V. B. Kondratiev analyzes the shifts in relative costs that determine outsourcing schemes for companies. V. V. Perskaya quite reasonably criticizes the prevailing ideas about GVCs, arguing that in the form in which they are recommended by OECD and WTO experts, they are in the interests of only the United States with its desire for a monopolar configuration of the world economy. A.N. Ponomarenko and K. Yu. Muradov focused on improving the methodology for assessing value added and developing a tool for identifying value added in inter-row trade flows, as well as identifying multiplier effects arising from the activities of the industries of the countries.

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