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INTRODUCTION

Grounding the middle-income trap in a world of global value chains

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Abstract

This introduction grounds the middle-income (MI) trap by looking at the empirical realities of firms, sectors, national, and subnational institutions embedded in global value chains (GVCs). While MI-trap scholarship has shed light on macro-structural constraints, it often overlooks international production structures and micro-level agency. GVC research, in turn, captures firm strategies and governance structures but tends to underplay the role of domestic institutions and political coalitions. This Special Issue brings these two traditions into dialogue in order to examine how upgrading is (partially) attained—or how it fails—in MI countries.

The articles in the Issue focus on six countries—Argentina, Brazil, Chile, China, Malaysia, and Mexico—to analyze how public and private actors pursue upgrading strategies under MI-trap conditions. We develop a typology of Actors' Upgrading Strategies along two dimensions: loci of agency (state vs. firm/chain) and modes of action (transformative vs. adaptive). This yields four conceptual categories: Transformative Policy Entrepreneurs, Adaptive Policy Implementers, Transformative Firm Upgraders, and Incremental Firm Repositioners. Collectively, the contributions offer a more textured and politically attuned understanding of upgrading under the MI trap in a world of GVCs, and bring us closer to understanding what it means to be caught in—or to find pathways out of—the trap.

Keywords: Middle-income trap; Global value chains; Political economy; Development; Upgrading

The concept of the middle-income (MI) trap is nowadays at the center of the discussion on the economic development of countries in the Global South. Originally devised as a rather economistic notion, the concept was later appropriated by a new political economy that brought into focus socioeconomic actors, political coalitions, and institutions to recast the causes, effects, mechanisms of reproduction and exit options from the MI trap. Both approaches, however, still fall short in the quest of understanding the trap at the level of sectors and firms within domestic economies. By focusing on macro-trajectories of stagnation, these studies have in practice skipped the opportunity to gain finer-grained knowledge on the challenges faced by private actors in such contexts. This Special Issue aims to be a first step in overcoming such analytical and empirical gaps.

In order to do so we build upon the Global Value Chain (GVC) approach. This tradition situates the agenda of development on a global scale by considering how—and to what extent—the linkages between large transnational lead firms and domestic firms located in middle- and low-income countries may work as a facilitating mechanism for *upgrading* for the latter—i.e., for incorporating technology, increasing the efficiency of productive processes, and gaining access to international markets. In contrast with the static image of a trap, in this perspective domestic firms and sectors may undertake a process of incremental upgrading, taking on more complex tasks over time, and thus increasing their

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participation in the global appropriation of benefits within their GVC.[1] The GVC literature, in turn, can be complemented and enriched by the innovation systems and technological capabilities approaches, which highlight the importance of local institutional contexts in supporting upgrading trajectories, as well as the deliberate efforts domestic firms undertake to improve their position in value chains by mobilizing specific capabilities and resources.[2]

This Special Issue grounds the MI trap by curating a series of articles that tackle the conundrum these economies face by zooming into the behavior of sectors and firms within key country cases. In practice, this became an invitation for the contributing authors to bridge two usually separate strands of inquiry—the MI-trap framework and the evolving knowledge on the insertion of firms from the world's periphery into GVCs. We believe this approach offers a number of promising insights for contemporary discussions of development. It shows how the MI trap could be thought not as a stable equilibrium specific to each country, but rather as the product of a common global dynamic of production that has become geographically dispersed and disintegrated. While this Special Issue shares with prior works the goal to gain a general understanding of the MI-trap phenomenon by contrasting diverse national trajectories, it seeks to do so through much more textured observations of the specific difficulties sectors and firms face when trying to achieve higher developmental stages.

Aside from the insightful contributions of Paus (2012), Andreoni and Tregenna (2020), and Kang and Paus (2020), so far the concepts of MI trap and GVCs have not been discussed together systematically. The obvious consequence being that empirical analyses of key country cases in the MI trap have suffered from the lack of potentially valuable unifying lenses. The absence of a systematic dialog between these two strands of research is particularly surprising in light of their complementarity to address weaknesses present in both bodies of literature.[3]

The main success of the MI-trap framework was arguably to coin a label that captured the logic of a secular pattern of stagnation present in a rather large number of emerging economies. This served as a focal point to a series of studies that, while not always using the concept of the MI trap explicitly, zeroed in on structural factors that impeded the development of a common set of countries in the Global South. Three main perspectives can be identified within this tradition: an approach that focuses on historical trajectories of structural change (McMillan and Rodrik 2011, Kohli 2012); another one that underscores the presence and effects of certain institutional configurations in regional sets of country cases (Nölke and Vliegenthart 2009, Schneider 2013, with their respective focus on Eastern Europe and Latin America); and a third one that analyzes the strategies of decision makers in the public sector and interest groups, considered at a macro-level (Doner and Schneider 2016).

Yet, in the perennial quest to understand the causes and consequences of the stagnation of MI economies, all three traditions within the MI-trap framework have two common weaknesses. First, these approaches both undertheorize and downplay international factors. By identifying a set of common characteristics in this type of economies, these studies have successfully produced general explanations of why MI countries are more or less likely to remain entrapped in stable equilibriums. This has allowed these scholars to trace different regional trajectories and explore why some nations have been able to break out of the trap while others have not. As an illustration, Kohli (2012) stands out with his argument about the presence of a negative pattern of structural transformation in Latin America that contrasts with the virtuous path observed in East Asia.

However, in all of these accounts the relationship that these national cases have with the rest of the world is assumed as a constant and exogenous factor. If the MI-trap phenomenon extends across regional boundaries, it is crucial to consider that some international-level variables—such as the varying ways in which global trade and production have been structured over time—can be

[1]Gereffi (1994; 1999; 2019), Gereffi and Kaplinsky (2001); Humphrey and Schmitz (2002); Gereffi et al. (2005); Morrison et al. (2008).

[2]Pietrobelli and Rabelotti (2011), Lema et al. (2018), Morrison et al. (2008), Staritz and Whitfield (2019).

[3]In this introduction we present a stylized discussion of both frameworks. It might be argued that we overstate the points of contention between the two perspectives and neglect more nuanced takes. Yet we believe this strategy usefully highlights how both frameworks could be compatible.

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consequential in producing stable developmental equilibriums that assume particular characteristics in specific regions and countries. Therefore, refining this approach entails theorizing and empirically assessing how national-level variables are shaped by international-level ones—as well as accounting for interaction effects. Many late developers in the twentieth century graduated in part through exports—Korea and Taiwan being the most prominent cases. Yet, the world has changed in the twenty-first century, especially with respect to trade in manufactured goods. That world of exporting products no longer exists due to the dispersion of production, which poses the question about how trade facilitates or impedes getting out of the trap.

Second, the MI-trap framework provides a rather static picture of the trap that leaves little analytical room for exploring how the actors caught in such a type of equilibrium deal with it. The considerable effort put into identifying the variables that drove MI countries to a stagnant condition tends to set aside the question about possible avenues for exiting the trap—exit avenues that, though difficult to undertake, are certainly present in these economies.[4] This is reinforced by a strong structural focus that gives little agency to socioeconomic and political actors. Even the contributions that make a deliberate attempt to consider coalitional dynamics within this framework—such as that of Doner and Schneider (2016)—tend to subsume actors' preferences and agency into a structural analysis of the dynamic that reproduces the trap.

These two blind spots in the MI-trap framework could be tackled by bringing into the discussion two key insights from the literature on GVCs: the concepts of *governance and upgrading*. The first one alludes to a global production system that has increasingly been arranged around inter-firm networks that organize the production of goods and services by parceling it out in discrete tasks performed by firms around the world. Analyzing the opportunities and obstacles for development for MI countries not only requires understanding the trajectories of particular countries but also the ways in which different production chains regulate themselves (Gereffi 1994; Santarcángelo, Schteingart and Porta 2017). Such analytical recalibration paves the way for exploring alternatives for escaping the MI trap at the micro level, along different GVCs that are characterized by diverse modes of governance—i.e., by varying degrees of vertical and/or horizontal relationships among leading firms and providers—independently of the country one is studying.

Second, in a global production system organized around GVCs, macro development can be conceived as the aggregate result of a series of successful insertions in advantageous links along the global chains. In this context, *upgrading* refers to the process by which MI-country firms and sectors achieve this goal. Adopting this analytical lens invites us to take a closer look at the behavior of firms, in order to gain a better grasp of the diverse challenges they face and the strategies they pursue in their effort to produce more complex goods and services (Bair 2005). A common theme of the individual contributions to this Special Issue is that current knowledge on the MI trap can be refined by conducting empirical work that builds on these insights for achieving a more grounded understanding of what it actually means—in the very real world of production—to be stuck in a static equilibrium, while also shedding light on the relatively few cases that successfully find a way out of the trap.

While providing key insights that could help in anchoring the MI-trap discussion on solid empirical ground, the GVC approach has its own shortcomings. In focusing on the behavior of sectors and firms, the GVC perspective risks overlooking the particular contexts that surround them. This may hamper our understanding of the effects institutions and interest groups can have in creating opportunities or perpetuating barriers for economic upgrading at the micro level.[5] The papers assembled for this Special Issue do not, therefore, propose to discard the MI-trap framework in favor of a GVC perspective. Rather, the collective objective is to integrate key insights from both perspectives, complementing the GVC approach's sensitivity to the structure of global production and the agency of firms with the

[4]When they do engage with this question, these studies usually emphasize the importance of general objectives related to productivity growth—like enhancing investment in R&D or augmenting human capital—but they do not study in depth how these goals could be pursued in middle-income countries (Gill and Kharas 2015). They stay at such a macro level that they remain too far away from the important goal of informing policymaking in MI-trap countries.

[5]There is a seminal line of work that bridges this gap by acknowledging the effects that public policies—especially, industrial policies—can have in helping firms pursue successful upgrading strategies. Andreoni and Tregenna (2020) and Andreoni (2019) provide great examples of this approach.

MI-trap approach's apt description of the country-level macro variables that pose structural limits to firms' efforts to upgrade. The challenge is to situate firms' and sectors' strategies within a framework that embeds the analysis of institutions, interest group dynamics, and political conflict that shape the political economy that firms and sectors inhabit.

The six papers that integrate this Special Issue analyze the MI trap through a grounded focus on how sectors and firms in Argentina, Brazil, Chile, China, Malaysia, and Mexico struggle to secure a better insertion into GVCs. We have explicitly sought to provide a large variety of cases and causal arguments. In this sense, this Special Issue presents papers that compare cases across the globe (from Asia to Latin America) and across sectors with varying degrees of economic complexity.

In the remainder of this Introduction, we highlight how each of the six contributions to this Special Issue engages with this framing and outline a typology that should serve both as a compass to navigate these articles and as an inspiration for future research. As a whole, these six articles illuminate what it means to "ground" the MI trap: to bring its rather static and macro-level diagnosis into closer contact with sectoral specificities, firm successes and failures to upgrade, historically sedimented institutional configurations, varying levels of state capacities, and in some cases variation in subnational dynamics that shape firms' behavior.

The grounding that these fourteen authors accomplish does not come just from adding empirical texture. It is an analytic strategy that allows them to ask questions that the literature so far was not putting center stage: What are the actual constraints MI-country firms face when attempting to upgrade? Why do similar policy approaches and interventions yield different results across regions and countries, and within countries? How do actors in the field understand the trap they inhabit? In what ways do global production dynamics constrain or enable upgrading trajectories in countries stuck in this low-level equilibrium? The papers in this Issue offer answers to these questions not as general laws, but as situated insights surged from close knowledge of the actual dynamics on the ground. In that sense, this is a fieldwork-intensive, inductive, theory generating endeavor rather than a desk-based, deductive, theory-testing exercise.

The article by Michael Murphree and Dan Breznitz on China opens the Issue with a clear challenge to static accounts of the MI trap. Focusing on the manufacturing city of Dongguan, the authors reconstruct a decades-long trajectory of GVC integration that suggests how to circumvent the trap, even under conditions much less favorable than those found in other Chinese regions. Murphree and Breznitz show how subnational variation and locally adaptive institutions—especially in city-level policy geared at striking an intelligent and flexible deal with foreign investors—enabled Dongguan to reposition itself within GVCs. Their analysis moves beyond dichotomous questions of whether China is in or out of the trap. Instead, they examine how specific regions navigate global pressures, finding insightful subnational variation. Dongguan was a least likely case to attain higher levels of development because, unlike other neighboring regions, it was not a beneficiary of strong, central government industrial policy, and because it has historically been dependent on foreign direct investment (FDI). Yet by scaling down to the regional level, Murphree and Breznitz discover factors often not-seen when looking at the national level—such as the process of development of a vast array of domestic providers to large multinational corporations (MNCs), thereby building regional clusters; the identification of niches for domestic firms within foreign-led value chains; and the government's decision to attract multiple-industries FDI rather than single-industry FDI, with different towns in the region specializing in different industries. The paper speaks directly to our call for disaggregated, grounded understandings of MI-trap trajectories. It also exemplifies the type of territorial knowledge we believe is essential for any serious rethinking of MI development dilemmas.

Alberto Fuentes's and Seth Pipkin's contribution offers a powerful framework for understanding how path-dependent differences in subnational industrial policy "styles" shape upgrading outcomes. Through a comparative study of Jalisco and Querétaro in Mexico, the authors identify two modes of industrial governance: a "business-guided" style that seeks to support competition and investment by reducing entry barriers for firms—emphasizing horizontal interventions such as the provision of infrastructure—and a "state-guided" style that actively seeks to shift local comparative

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advantage—often through vertical choices, such as the creation of tailored public goods that enable industry-specific learning processes. Both Mexican states engaged with GVCs in comparable sectors, yet their trajectories diverged markedly. In Jalisco, the Business-guided policy style is associated with a trajectory focused on product and intersectoral upgrading, whereas in Querétaro, State-guided policies are associated with a trajectory focused on process and functional upgrading within existing product categories and value chains. By taking subnational variation of policy approaches seriously—in a country whose institutions make us expect little subnational variation—Fuentes's and Pipkin's work embodies a point we want to make with this Special Issue more broadly: that development trajectories are not only constrained by global dynamics or national-level institutions, but also shaped by policy choices that are made at the local level and that often generate dynamics of path dependence. Fuentes's and Pipkin's typology gives us a conceptual toolkit for capturing this variation and for theorizing how subnational policy choices shape the effects of GVC participation on firms and regions.

The article by Carlos Freytes, Tomás Bril-Mascarenhas, Tomás Gianibelli, and Juan O'Farrell—centered on the Argentine auto parts and agrobiotechnology sectors—develops a novel typology of upgrading trajectories: subordinate, defiant, and path-breaking. These ideal types are constructed inductively from firm-level evidence and capture different degrees of technological complexity, autonomy from lead firms, and integration into global markets. The authors show that these trajectories are not random but are conditioned by the interaction between GVC governance patterns and domestic institutional support. Especially important are local innovation systems and sector-specific public goods, as well as the firms' own linkage capabilities. In our Introduction, we suggest that macro-level accounts of the MI trap obscure the lived reality of being "trapped" for firms and sectors. This paper provides the conceptual and empirical tools to see that entrapment is not a binary condition but a set of different and contested pathways. The subordinate–defiant–path-breaking framework complements the existing GVC literature's upgrading typologies by foregrounding the role of domestic institutional embeddedness and sectoral opportunity structures in shaping firms' strategies. It is a direct example of how "grounding" the MI trap can lead to new theoretical insights.

Mariana Rangel's article on IT industrial policy in the Mexican states of Nuevo León and Puebla sheds light on the political economy of policy implementation of national-level programs at the subnational level—and on its effects on local upgrading trajectories. Studying the federal Prosoft program from 2000 to 2015, Rangel traces how two "most similar" cases diverged in their ability to leverage the program for industrial upgrading. She argues that the key explanatory variables of contrasting subnational outcomes are executive leadership, bureaucratic quality, and business cohesion—at the state level. These factors not only shaped whether Prosoft funds were deployed effectively, but also whether long-term firm upgrading took place or not. Rangel's analysis shows that well-crafted industrial policies can generate poor outcomes when the local institutional environment is weak. As she puts forward, MI trajectories are contingent on the capacity of local actors to intermediate, adapt, and implement decisions made at the national level. This finding has important policy implications to address a core concern of this Special Issue: how to craft context- and political-economy sensitive policies to exit the MI trap.

Yuri Kasahara, Antonio Botelho, and Renato Lima-de-Oliveira conduct a cross-regional comparative study of Brazil and Malaysia with a focus on an often overlooked component of the industrial policy toolkit: local content policies (LCPs). In particular, they study LCPs in the oil and gas (O&G) sectors. While both countries adopted LCPs to foster domestic upgrading and capture value from GVCs, the authors show how divergent developmental policy paradigms shaped the design of this industrial policy tool—and its effects. Brazil's inward-looking, productivist developmentalism emphasized import substitution and domestic production and job creation, while Malaysia's outward-oriented, ethnicity-sensitive developmentalism prioritized co-ownership and national supplier development within GVCs. These contrasting ideational and institutional foundations generated distinct upgrading trajectories: Malaysia succeeded in giving birth to significant internationally competitive domestic firms—in particular, providers of offshore services—whereas Brazil did not. Beyond these two cases and the focus on O&G, the article by Kasahara et al. does a larger service to our goal of grounding the MI trap: it provides a conceptually ambitious study of the role of ideas in the policymaking processes oriented towards upgrading and insertion into GVCs. This ideational turn is much needed in a literature otherwise typically centered on institutions and interests, and will surely inspire new rounds of research in other policy arenas beyond LCPs, in other MI-trap countries.

Finally, Aldo Madariaga and Sebastián Carrasco examine the failed upgrading of Chile's lithium industry. Chile is typically portrayed as a country with relatively high state capacity in the Latin American context. Yet the government's attempt to use public policy to foster upgrading in lithium extraction and processing did not attain the expected results. The authors argue that this failed outcome can be attributed to institutional business power: previous rounds of state retrenchment during neoliberal reforms granted private actors enduring control over information and technical expertise, thereby eroding state's bureaucratic capacities (regulatory, administrative, policy implementation). This institutional configuration profoundly limited the Chilean state's ability to achieve its goal of moving the lithium industry towards higher value-added segments of the chain. Madariaga and Carrasco make a broader point that travels beyond this sector and this country: institutional legacies of state–business relations may—somewhat invisibly but decisively—hamper the viability of upgrading strategies, even in contexts where state bureaucracies are relatively developed. In doing so, the authors provide a much-needed nuance to the idea we put forward about the critical role of industrial policy as a tool to escape the MI trap. Industrial policy—even if ambitiously transformative by design—does not occur in a vacuum—rather, it is constrained by path-dependence dynamics rooted in earlier reform periods.

Table 1 provides a compass to navigate this Special Issue. This is a conceptual and descriptive typology that stylizes variation in the kinds of upgrading strategies actors pursue—sometimes succeeding, sometimes failing—under MI-trap conditions in a world structured around GVCs. It does not put forward causal relationships across categories.

Table 1. Actors' Upgrading Strategies under the Middle-Income Trap: A Typology of Loci of Agency and Modes of Action

		Mode of Action	
		Transformative Strategies	Adaptive Strategies
Primary Locus of Agency	**State-Centered Arenas** Public policies, ministries, public agencies	**Transformative Policy Entrepreneurs** ***Madariaga & Carrasco (Chile)*** Blocked attempts at institutional reform in natural resource governance ***Kasahara, Botelho & Lima-de-Oliveira (Brazil/Malaysia)*** State efforts to reshape supplier development through LCPs	**Adaptive Policy Implementers** ***Rangel (Mexico)*** Coalition-building to use a national policy for local upgrading ***Fuentes & Pipkin (Mexico)*** Path-dependent policy styles constrain upgrading outcomes at the local level
	Firm-/Chain-Centered Arenas Firms, sectors, clusters	**Transformative Firm Upgraders** ***Freytes, Bril-Mascarenhas, Gianibelli & O'Farrell (Argentina)*** Firm-level trajectories exploring the conditions for attaining a better insertion into GVCs	**Incremental Firm Repositioners** ***Murphree & Breznitz (China)*** Firms' and sectors' incremental repositioning in GVCs via adaptation and local clusters flexibility

This typology is built by asking how different actors respond to the constraints associated with the MI trap—and what pathways they pursue. The typology organizes the contributions in this Special Issue through two key analytical dimensions: the *primary locus of agency* in the empirical terrain each article studies (state-centered vs. firm-/chain-centered), and the *mode of action* observed (transformative vs. adaptive). Some articles examine processes in which actors attempt to deeply transform institutions, policy orientations, or an actor's position in a GVC. These are path-departing

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attempts of upgrading. Others focus on cases in which actors adapt within existing structures—be them political/institutional structures or economic ones. These tend to be path-conforming attempts of upgrading. It should be noted that some articles in this Issue cover more than one empirical terrain, but in the typology we assign them to a single dominant terrain for analytic clarity.

Madariaga and Carrasco is a state-centric study about attempted transformation: they analyze how Chilean state actors seek to reposition the country in the lithium value chain through public ownership and industrial policy. They show how business power blocks this transformative project. Kasahara et al. contrast two uses of local content policy. Both the Brazilian and the Malaysian cases involve efforts to restructure sectors—not simply adapt to sectoral status quo. Malaysia is a case of successful transformation of the domestic supplier ecosystem through an outward-oriented strategy that manages to obtain a better insertion into GVCs. In contrast to these transformative modes of action, Rangel's study falls into the domain of adaptation: she explores how subnational governments in Mexico can build capacity and leverage coalitions to implement a federal program (Prosoft) so as to trigger upgrading at the local level. Ultimately, in her account the success or failure of upgrading hinges on the capacity of local actors to adapt to a given national policy. Fuentes and Pipkin, for their part, analyze how enduring subnational "policy styles" in two Mexican states shape upgrading outcomes along inherited paths—business-guided or state-guided—making these efforts adaptive rather than transformative. Together, these Mexican cases show that adaptation can be purposive—implementation requires acting strategically.

Firm- and sector-centric studies in this Special Issue zero in on the corporate side of the MI trap and GVC insertion problem, rather than on what states do about it. Freytes et al. develop a typology of upgrading trajectories—subordinate, defiant, and path-breaking—based on firms in the Argentine auto and biotech sectors. While one of their four cases remains locked in a subordinate trajectory, the other three firms strategically challenge their inherited roles in their respective GVC. Thus, this article theorizes the terrain of transformation, even if not all firms achieve it. Finally, Murphree and Breznitz show how Dongguan, China, adaptively repositions itself in global production through incrementally changing modes of GVC insertion, hybrid ownership models, and pragmatic local governance—this way, they illustrate how the trap may be sidestepped through actors' flexibility rather than through projects of deep transformation.

A byproduct of this typological compass to navigate the Special Issue is that future scholarship on how to escape the MI trap can draw on the concepts formed in each of the four cells. As advised by Collier et al. (2012), cell types should not be just labels but conceptually meaningful types within an overarching concept: our four cell types focus on actors attempting to achieve upgrading under MI-trap conditions. If anything, escaping this trap requires concrete people doing concrete things. *Transformative Policy Entrepreneurs*: these are cases where state actors—ministries, public agencies, governors, coalitions of bureaucrats or technocrats—actively seek to reshape development trajectories through institutional innovation and policy paradigm shifts. This category highlights the possibility and fragility of state-led transformation in MI settings, especially when these ambitious policy entrepreneurs face powerful societal interests or have to work with limited state capacity. The concept emphasizes the idea that the state can be not just an implementer, but also a strategic actor attempting structural change. In contrast, *Adaptive Policy Implementers* is a type that captures public actors—often at the subnational level—who operate within inherited institutional constraints to make incremental adjustments, implement national policies, or maintain local policy styles.[6] The insight here is that bounded adaptation, while constrained, can still advance upgrading—even without major reforms.

Transformative Firm Upgraders is a type that stylizes the idea that firms—or clusters of firms—can attempt to redefine their position within GVCs, leveraging domestic institutional support or innovating through defiant or path-breaking strategies. This category illuminates how upgrading trajectories are not passive responses to GVC governance, but can involve strategic repositioning driven by firm

[6]In Fuentes's & Pipkin's article, although Querétaro and Jalisco exhibit different policy styles, both adjust within inherited institutional logics rather than attempting a rupture with their respective policy paradigms. This is why we conceptualize this contribution within the type called Adaptive Policy Implementers.

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agency—even under the structural constraints of the MI trap. In contrast, *Incremental Firm Repositioners* is a type that refers to firms or clusters that incrementally adjust and reposition themselves over time, often without state-led transformation. The analytical value here lies in highlighting how corporate actors' flexibility—rather than state-driven deliberate reform—can enable some cases (such as a region within a country) to sidestep the stagnation associated with the MI trap. The label of this type nuances the idea of "being trapped": firms may adaptively navigate constraints and attain certain levels of upgrading. The contrast between Transformative Firm Upgraders and Incremental Firm Repositioners highlights that firm agency in MI countries can either contest or accommodate GVC governance.

Considered as a whole, these six articles constitute a big step towards grounding our knowledge of the MI trap in a world of global value chains. By examining how upgrading is (partially) attained—or how it fails—at the level of sectors, firms, and subnational territorial units, the articles in this Special Issue shift the focus of the debate. They bring us closer to understanding what it means to be caught in—or to find pathways out of—the trap. This is a necessary move in coming up with new ideas to inform policymakers in MI-trap countries about potential avenues to obtain a better "deal" from GVCs and to find a way out of the entrapment.

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