**What about the toiletpapergate? Global pandemics and sustainability in a world of global value chains**

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As COVID started to hit hard in different countries, news appeared in the media covering the shortages of products in the supermarkets. While lots of arguments have been push forward (and dozen of meme have been developed) to describe this phenomenon from a *demand* perspective, its *supply* dimension should be carefully investigated too.

Back in January, when COVID was still ‘a Chinese issue’ and its deathful extent was far from being understood, COVID hit the news in Italy as a number of manufacturing companies had to close their production lines because of shortages of key components, which were made in China. In the last decades, firms have increasingly outsourced (the lowest value-added) activities to offshore countries. Decades of ‘disintegration of production and integration of trade’ resulted in the transformation of the global industries so that a large part of firms are embedded in ‘global value chains’ – network of dispersed yet interconnected firms orchestrated by global ‘lead’ firms, who are defining what needs to be produced, where and at which conditions. While such organization of global industries proved particularly effective to support global firm’s competitiveness and development in less developed countries, in the times of a global pandemic they could represent the channel for a ‘supply-chain contagion’ whose economic implications might overcome those related with the ‘health contagion’.

A case in point regard pharma supplies: it has been estimated that almost 80% of active pharmaceutical ingredients (the lowest value-added components of a very rich industry) used by US pharmaceutical firms are imported from countries in lockdown, severely compromising the capacity to fulfill domestic needs. Food supply for the moment is holding up, but concerns are raising regarding the capacity to serve the need of local communities and a similar situation is observed in several other industries as well. Several countries are indeed now investing to recreate fully supply chains locally – at least on critical industries – but the degree of integration is too deep for a fast conversion to take place.

Is this context a good or bad news for business sustainability? While there is a debate on the impacts on COVID on the propensity of firms to became more sustainable, the new scenario that is developing entails silver linings for the improvement of environmental and social conditions. We know, indeed, that innovations that reduce impacts on the environment requires firms quite a deal of cooperation and need a long-termism; such cooperation might be eased by the ‘shortness’ of global value chains, and therefore might be favored by the increasing ‘regionalization’ of value chains and the strengthening of VC relationships that is taking placed for COVID. Furthermore, we know that global lead firms might be powerful spur for sustainability to propagate deep the value chains – but this is not necessarily the case. The role of states, NGOs and other stakeholders is often a necessary complement, acting as watchdog, a regulator, or a knowledgeable partner – being indeed actors that are gaining an increasing authority during the pandemic.

The future of global value chains and their ability to spur sustainable development across global industries is blurred. It is not clear yet if and how better sustainability is going to follow and who will be included and excluded by the new global value chains, so as what impact this will have on firms and countries that entered global markets by supplying the low-end supplies which are now possibly going to be backshored. One thing is clear however. Global value chains, which for decades represented a powerful tool to support development worldwide, are going to remain a key feature of several industries globally for quite a while. The new order that will take place after COVID should consider for their relevance and make sure they can represent a tool to support *sustainable* development too.