

## Research Project

### Valueworks: Effects of Financialization along the Copper Value Chain

#### **Project funded by own resources**

**Project title** Valueworks: Effects of Financialization along the Copper Value Chain

**Principal Investigator(s)** [Kesselring, Rita](#) ;

**Co-Investigator(s)** [Leins, Stefan](#) ;

#### **Organisation / Research unit**

Departement Gesellschaftswissenschaften / Visuelle und politische Ethnologie (Förster)

**Project Website** [http://www.snis.ch/project\\_valueworks-effects-financialization-along-copper-value-chain](http://www.snis.ch/project_valueworks-effects-financialization-along-copper-value-chain)

**Project start** 01.01.2017

**Probable end** 31.12.2018

**Status** Completed

Financialization – the growing influence of financial markets and institutions on national and international economies – has profoundly changed the global commodities trade (UNCTAD 2015) and strongly affects how wealth is produced and distributed (UNCTAD 2011). As a result of financialization, markets in commodities are partially “de-linked” from material conditions of production and use and “re-linked” to portfolios of financial instruments (Thomson and Dutta 2015, 23). In this project, we examine how these recent changes in commodity trade affect social dynamics at the different nodes of a global value chain.

**A case study:** We follow a single commodity – copper – from the mining pits in one of the major copper producing countries, Zambia, through towns and harbours on African transport corridors to the sites of industrial production and recycling in China. This heuristic focus on one specific commodity enables us to study consequences of financialization beyond the trading centres while doing justice to the complexity of local contexts. Switzerland is host to major financial intermediaries and is one of the most important platforms for commodity trading worldwide. Political decisions on regulation and taxation along with economic decisions by trading firms and investors taken in Switzerland have consequences for local lives elsewhere. We will analyse both direct and indirect consequences of Switzerland's new role by comparing two different segments of the global production networks for copper.

**A comparative approach:** We will compare copper mined by publicly traded companies, exported from Zambia to Switzerland and traded by Swiss firms with copper mined by Chinese state-owned enterprises in Zambia and sold directly to (equally mostly state-owned) Chinese producers. While Swiss trading firms do not play any direct role here, their existence changes the market environment and has indirect consequences. This bifurcation between classic commodity exports driven directly by the needs of manufacturers and financialized copper trade with Swiss intermediaries makes Zambian copper an ideal case for studying the consequences of financialization.

**Objective:** By comparing these two ways of trading and the consequences they have for different places along the value chain, we aim to: (1) provide a better understanding of the direct and indirect consequences of financialized commodity trade on local life worlds and (2) contribute to better regulation and oversight of the sector in order to move towards more ethical trading systems conducive to the vision of sustainable development.

**Method:** To reach this goal, we combine anthropological research by experts positioned at specific nodes along the value chain with systemic analyses of financialization and global production networks from economic, managerial and policy perspectives.

The project is funded by SNIS, the Swiss Network of International Studies. The project lead is at the University of Basel.

**Keywords** financialization, Zambia, Switzerland, China, commodities trade, copper, livelihood

**Financed by**

Other funds

**Add publication**

**Add documents**

**Specify cooperation partners**