

Greening of Global Value Chains: A Systematic and Critical Literature Review on Determinants

Zhan Su¹, Imene Belabbas²

Department of management, Laval University, Quebec, Canada

Abstract

GVCs have been recognized for their significant role in driving economic growth and enhancing firm competitiveness, but they are also linked to considerable environmental degradation. However, the transition to greener Global Value Chains (GVCs) is not uniform but shaped by significant institutional, economic, and environmental disparities among participating countries, especial between developing countries and developed countries. Our research identifies and explores these disparities, focusing on the determinants, barriers, and facilitators influencing the greening of GVCs. Following the PRISMA 2020 protocol, our systematic and critical review of the literature, covering studies from 2012 to 2024, examines specifically factors such as environmental institutional gaps, market conditions, and green strategies. The findings show institutional gaps drive green practices, but governance effectiveness varies across countries. Market conditions, particularly ethical consumer demand, influence suppliers' sustainability efforts, but financial and operational constraints limit green strategies. Barriers include the environmental impact of GVC embeddedness modes and how chain length influences its transition. Indirect facilitators, such as R&D investments and digitalization, also play key roles. Based on these findings, we propose an analytical framework to guide firms and policymakers in overcoming the structural constraints to greening GVCs. Our analysis reveals that the challenge of transitioning to green practices is more due to contextual disparities within firms to address weaknesses in their specific contexts rather than a lack of motivation. The review underscores a lack of theorization and proposes a relevant research agenda.

Keywords: Greening of global value chains, contextual disparities, determinants, analytical framework, research agenda