

Global Development

Handout 2.1: 'Barbie' and the development of global commodity chains

USING YOUR SOCIOLOGICAL IMAGINATION

4.2 'Barbie' and the development of global commodity chains

One illustration of the global commodity chain can be found in the manufacture of the Barbie doll, the most profitable toy in history. The forty-something teenage doll sells at a rate of two per second, bringing the Mattel Corporation, based in Los Angeles, USA, well over \$1 billion in annual revenues. Although the doll sells mainly in the United States, Europe and Japan, Barbie can be found in 140 countries around the world. She is a truly global citizen (Tempest 1996). Barbie is global not only in sales but in terms of her birthplace as well. She was never made in the United States. The first doll was made in Japan in 1959, when that country was still recovering from the Second World War and wages were low. As wages rose in Japan, Barbie moved to other low-wage countries in Asia. Her multiple origins today tell us a great deal about the operation of global commodity chains.

Barbie is designed in the United States, where her marketing and advertising strategies are devised and where most of the profits are made. But the only physical aspect of the doll that is 'made in the USA' is her cardboard packaging, along with some of the paints and oils that are used in decoration.

Barbie's body and wardrobe span the globe in their origins:

- 1 Barbie begins her life in Saudi Arabia, where oil is extracted and then refined into the ethylene that is used to create her plastic body.
- 2 Taiwan's state-owned oil importer, the Chinese Petroleum Corporation, buys the ethylene and sells it to Taiwan's Formosa Plastic Corporation, the world's largest producer of polyvinyl chloride (PVC) plastics, which are used in toys. Formosa Plastics converts the ethylene into the PVC pellets that will be shaped to make Barbie's body.
- 3 The pellets are then shipped to one of the four Asian factories that make Barbie – two in southern China, one in Indonesia and one in Malaysia. The plastic mould injection machines that shape the doll's body, which



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- are the most expensive part involved in Barbie's manufacture, are made in the United States and shipped to the factories.
- 4 Once Barbie's body is moulded, she gets her nylon hair from Japan. Her cotton dresses are made in China, with Chinese cotton – the only raw material actually to come from the country where most of the dolls are made.
- 5 Hong Kong plays a key role in the manufacturing process of the Chinese Barbies. Nearly all the material used in her manufacture is shipped into Hong Kong – one of the world's largest ports – and then trucked to the factories in China. The finished Barbies leave by the same route. Some 23,000 trucks make the daily trip between Hong Kong and southern China's toy factories.

So where is Barbie actually from? The cardboard and cellophane box containing the 'My First Tea Party' Barbie is labelled 'Made

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in China' but, as we have seen, almost none of the materials that go into making her actually originate in that country. Out of her \$9.99 retail price in the USA (about £5), China gets only about 35 cents, mainly in wages paid to the 11,000 peasant women who assemble her in the two factories. Back in the United States, on the other hand, Mattel makes about \$1 in profits.

What about the rest of the money that is made when Barbie is sold for \$9.99? Only 65 cents is needed to cover the plastics, cloth, nylon and other materials used in her manufacture. Most of the money goes to pay for machinery and

equipment, transoceanic shipping and domestic trucking, advertising and merchandising, retail floor space – and, of course, the profits of Toys 'R' Us and other retailers. What Barbie production and consumption shows us is the effectiveness of globalization processes in connecting together the world's economies. However, it also demonstrates the unevenness of globalization's impact, which enables some countries to benefit at the expense of others. This means that we cannot assume that global commodity chains will inevitably promote development right across the chain of societies involved.

Source: Giddens, A. and Sutton, P. W., *Sociology 7th edition* (Polity, 2013)