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RESEARCH INSIGHTS

SUBNATIONAL VARIATIONS IN RESILIENCE STRATEGIES TO ADVERSE CONTEXTS IN GLOBAL VALUE CHAINS: EVIDENCE FROM PAKISTANI OFFSHORING SERVICES PROVIDERS

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EXECUTIVE SUMMARY

Drawing upon research in global value chains (GVCs), resilience, and subnational regions, we examined how suppliers from different subnational regions operating in adverse contexts differ in successfully meeting GVC buyers' demands and becoming resilient.

We adopted a qualitative research approach relying on 34 in-depth interviews with senior managers of offshoring service providers (OSPs) across two subnational regions in Pakistan—Karachi and Lahore. We complemented the qualitative analysis with the fuzzy-set Qualitative Comparative Analysis (fsQCA) technique to triangulate, enhance validity, and identify causal configurations.

Our results reveal that OSPs from different subnational regions adopt different approaches to tackle challenges arising from political instability and violence. GVC governance structures vary across subnational regions and, in turn, shape OSPs' resilience strategies. Karachi-based OSPs, influenced by adaptive modular governance, exhibit local agency-driven resilience, characterized by robustness and technological adaptiveness to address any direct impact of political instability. In contrast, Lahore-based OSPs, operating under relational and captive governance, adopt reputation-driven resilience, emphasizing visibility and agility to mitigate any client concerns associated with country image and enhance trust with international clients. The fsQCA provided nuanced insights into the different combinations and configurations of resilience strategies that lead to successful product delivery.



KEYWORDS

- Resilience
- Adverse context
- GVC suppliers
- Pakistan
- GVC governance
- Adaptation

RESEARCH RELEVANCE

- Subnational divergence in supplier resilience: Offshoring service providers (OSPs) in Karachi and Lahore, Pakistan develop distinct resilience repertoires, shaped by their exposure to political instability, violence and region-specific operating conditions.
- GVC governance as a regionalised phenomenon: Governance structures are not uniformly experienced; Karachi-based firms operate under adaptive modular governance, while Lahore-based firms navigate relational and captive governance, influencing how they interpret and respond to buyer expectations.
- Contrasting resilience pathways: Karachi OSPs rely on local agency-driven resilience—prioritising robustness and technological adaptability to manage direct disruptions—whereas Lahore OSPs adopt reputation-driven resilience, emphasising visibility, agility and trust-building to counter negative country-level perceptions.
- Reconceptualising disadvantaged supplier resilience: The study advances the view that resilience is a continuous, practice-based process shaped by adverse subnational contexts, and highlights how suppliers actively influence GVC governance dynamics through their agency.

BIBLIOGRAPHIC INFORMATION

Choksy, U. S., Golgeci, I., Khan, M. N., Khan, Z., Mirza, Z., & Shi, X. (2025). Subnational Variations in Resilience Strategies to Adverse Contexts in Global Value Chains: Evidence from Pakistani Offshoring Services Providers. *Multinational Business Review*. Advance online publication. <https://doi.org/10.1108/MBR-12-2024-0272>

“Suppliers embedded in adverse subnational contexts do not merely adapt to global value chain pressures—they actively reshape governance from below, developing distinct resilience pathways that reflect the political realities of the places in which they operate”

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