Course Description:
The course examines both advanced and developing economies and addresses competitiveness at multiple levels – nations, sub-national units such as states or provinces, particular cluster, and neighboring countries. The course is concerned not only with government policy, but also with the roles that firms, industry, associations, universities, and other institutions play in competitiveness. In modern competition, each of these institutions has an important and evolving role in economic development. Moreover, the process of creating and sustaining an economic strategy for a nation, state or region is a daunting challenge. The course explores not only theory and policy but also the organizational structures, institutional structures, and change processes required for sustained improvements in competitiveness.

The course is based on a case-study course developed by Professor Michael Porter and a team of his colleagues at the Harvard Business School. The course explores the determinants of national and regional competitiveness building from the perspective of firms, clusters, sub-national units, nations, and groups of neighboring countries. It focuses on the sources of national or regional productivity, which are rooted in the strategies and operating practices of locally based firms, the vitality of clusters, and the quality of the business environment in which competition takes place.

The course is taught using case studies drawn from all major regions of the world. Part of the purpose of the course is to expose students to some of the most successful countries and regions.

Requirements:
The class format will consist of case studies, readings, lectures, guest speakers, and a strong emphasis on teamwork and class participation.

- Team members will be expected to prepare and present a competitiveness report for a country, state, or region with a cluster analysis and policy recommendations, to give an oral presentation to a guest jury, and to assess their own performance as a team.

The following are the components that will determine the final grade for the course:
- Participation in case studies, class discussions, and team case study presentation (30%)
- Competitiveness report (50%)
  - Competitiveness project review (PPT) (10%) – schedule for February 16-22
  - Draft competitiveness report (10%) – due April 19
  - Oral presentation (15%) – May 3
  - Final competitiveness report (15%) – due May 10
- Teamwork – Team member evaluations (10%) – due May 10
- Reflective paper (10%) – due May 10

The project team will meet at least once during each week outside of class for the purpose of discussing the project, making plans, and assigning responsibilities.
Competitiveness (Capstone) Project:
Teams of 3 to 5 students will prepare competitiveness report for a country, state or region, which will include a chosen industry cluster, analysis and policy recommendations related to the cluster. This team project may also qualify as a capstone professional paper project with prior approval of the instructor. Please contact Lee Munnich if you would like to have your project qualify as a capstone project.

The competitiveness report should include the following components:

Executive brief of your competitiveness report with findings and recommendations

Short profile of the country, state or region, e.g., location, endowments, size, legacy
   - composition of the regional economy, mix of economic activity by cluster and how it is changing – location quotients, shift-share analysis
   - describe economic growth, productivity, innovation, and social measures over time as is possible
2. Assessment of regional competitiveness
   - macroeconomic, political, legal and social context
   - business environment, including the impact of government policies
3. Identify institutions for collaboration connected to the cluster
4. Identification of key competitiveness issues facing the region
5. Policy process and recommendations to increase the competitiveness of the region

Specific details on the chosen cluster
1. Mapping of the cluster
   - the participating firms, suppliers, service providers, research organizations, institutions for collaboration, etc.
2. Historical evolution of the cluster:
   - birth, development and (if relevant) decline and their causes
3. Cluster performance; current and trends over time
4. Profile of the relevant market
   - what is done locally and what is done elsewhere in this type of cluster?
5. Identification of competing clusters in other states/regions
   - key similarities/differences with the chosen cluster
6. Assess cluster competitiveness:
   - describe cluster-specific business environment, key companies, extent of collaboration, nature and impact of cluster-specific government policies
7. What key competitiveness issues are facing the cluster?
   - skills training, education, transportation
8. Policy recommendations to increase the competitiveness of the cluster

Required Readings:

Harvard Business School case studies developed by Michael Porter and his colleagues for their Microeconomics of Competitiveness course (available through Moodle website for course).
Course Schedule:
The course schedule is as follows. Topics will be presented through lectures by the instructors, discussions with policy leaders and experts, phone conferences with national experts, and class discussions. Students should read case studies before class and be prepared to answer case study questions. Students will be given access to case studies and questions through the University of Minnesota Moodle website. Students should read assigned chapters in the Porter book before each class and send two questions to instructors regarding the readings by Tuesday before each class. Key due dates are show in bold.

JAN 18  Course introduction. What is economic competitiveness?
- 10 Emerging Principles of Economic Development – Munnich
- Building Strong Clusters for Strong Urban Economies – Murphy
- CEO to CEO Conversations: Mayors Talk with Business Leaders About Growing Jobs in Minnesota – Schmit
Course overview. Using the Moodle site. Discussion of student team cluster study requirements and topics, timetable and expectations. Review past student cluster studies. Overview and Impact of MOC Network – Murphy

JAN 25  Industry Competition and Strategy: The Diamond Model – Munnich
Clusters and Cluster Development: Advanced Economies – Murphy & Schmit
- The California Wine Cluster (9-799-124)
- The Australian Wine Cluster: Supplementary Information (9-703-492)
The case studies now: student-led briefing & discussion
Laptop Lab: The US cluster mapping web site, location quotients and shift share analysis. Select competitiveness report student teams
Students each should submit two questions for discussion regarding Porter chapter readings by Tuesday preceding each class. Send by email to Lee Munnich.

FEB 1  Competitiveness: Overall Framework – Munnich
Making Sense of Clusters – Joseph Cortright, Impresa (by Skype)
- Cortright. Making Sense of Clusters: Regional Competitiveness and Economic Development
- Building a Cluster: Electronics and Information Technology in Costa Rica (9-703-422)
The case study now: student-led briefing & discussion
Jose Maria Figueres, Former President of Costa Rica (video)
Student Teams confirm competitiveness report topic

FEB 8  Institutions for Collaboration – Murphy
Porter, On Competition Chapters 6 & 7
- Asociación Colombiana de Plásticos (Acoplásticos) (9-703-437)
- Centre Suisse d’Electronique et de Microtechnique (CSEM) (9-703-438)
- Institutions for Collaboration: Overview (9-703-436)
The case studies now: student-led briefing & discussion
Value-added agriculture: Guest Speaker TBD
Student Teams submit location quotient and shift share analysis.
FEB 15 Competing Across Locations & Global Strategy for MNCs
Porter, *On Competition* Chapters 2 and 8; value chain discussion.
- Volvo Trucks (A): Penetrating the U.S. Market (9-702-418) – Schmit
The case study now: student-led briefing & discussion
*Cross-sector collaboration: Guest Speaker TBD*

FEB 22 Cluster Internationalization – Munnich
Review Porter Theory & Cluster Analysis Tools
- The Dutch Flower Cluster (9-711-507)
The case study now: student-led briefing & discussion
*Growing Minnesota Trade: Guest Speaker TBD*
**Student Teams submit diamond model analysis.**

MAR 1 Developing & Transition Countries – Student Team
- Estonia: From Transition to EU Membership (N9-713-479)
- Chile: The Latin American Tiger? (9-798-092)
The case studies now: student-led briefing & discussion
Other perspectives on industry clusters.
- Martin and Sunley, “Deconstructing Clusters”
- Ketels. “Recent research on competitiveness and clusters: what are the implications for regional policy?”
**Student Teams submit cluster map.**

MAR 8 Strategy: Advanced Economies – Murphy
- Remaking Singapore (9-710-483)
The case study now: student-led briefing & discussion
*Growing Advanced Economies: Guest Speaker TBD*
**Student Teams should prepare draft competitiveness report overview slides and schedule one-hour meeting to discuss with instructors before March 8 class.**

MAR 15 **NO CLASS – SPRING BREAK**

MAR 22 Economic Strategies: Cities – Student Team
New York City: Bloomberg’s Strategy for Economic Development (9-709-427)
The case study now: student-led briefing & discussion
- Porter, *On Competition* Chapter 10 “Competitive Advantage of the Inner City”
*Transportation & Economic Development: Guest Speaker TBD*

MAR 29 Economically Distressed Communities – Student Team
- St. Louis: Inner City Economic Development, (9-704-492)
The case study now: student-led briefing & discussion – Student #9
*Workforce Innovation Opportunity Act – Murphy*
*Addressing Economic Disparities: Guest Panel TBD*
APR 5
Rural Economic Competitiveness Strategies – Munnich
- Munnich, Shrock, and Cook. *Rural Knowledge Clusters: The Challenge of Rural Economic Prosperity*
- Minnesota Rural Equity Project – Schmit
*A Brief History on Minnesota Rural Development: Guest Panel TBD*

APR 12
Economic Strategy: Developing – Schmit
- Colombia: Organizing for Competitiveness (9-710-417)
- The case study now: student-led briefing & discussion
*University of Minnesota Extension – Guest Speaker TBD*
**Student Team competitiveness report drafts due**

APR 19
Other Aspects of Competitiveness
- Philanthropy
- Local & regional initiatives
- Cities, counties, and regions
- State & national networks, associations, and organizations
- U of M Campuses and Extension
*Perspectives in Community and Economic Development: Panel Discussion TBD*
**Student Team competitiveness study draft feedback**

APR 26
Economic Competitiveness Recap & Course Summary
- *Shared Value*, Porter – Murphy
**Expectations for jury presentation. Overview and feedback on course.**

MAY 4
**Oral presentations to guest jury**

MAY 11
**Final competitiveness report due. Reflective paper due. Team evaluations due**

**Recommended Readings:**
http://www.brookings.edu/reports/2006/03cities_cortright.aspx


Students are encouraged to identify other readings related to industry clusters and economic development.