

**Microeconomics of Competitiveness: Firms, Clusters and Economic Development  
Harvard Business School (1260) and Kennedy School of Government (PED 329)**

This course is concerned with the determinants of competitiveness and economic development viewed from a bottom up, microeconomic perspective. While sound macroeconomic policies, stable legal and political systems, and the accumulation of factors of production affect the potential for competitiveness, wealth is actually created at the microeconomic level. The strategies of firms, the vitality of clusters, and quality of the business environment in which competition takes place are what ultimately determines a nation or region's productivity.

This course covers both developing and advanced economies, and addresses competitiveness at the level of nations, states or cities within nations, clusters, and groups of neighboring countries. A major theme of the course is that competitiveness and economic development is affected by policies at all these levels.

The course is concerned with government policy but also with the roles of business, universities, and other institutions in competitiveness. In modern international competition, the roles of the constituencies have shifted and expanded, and the traditional separation between them works against successful economic development. Also, the ability to mount and sustain a competitiveness strategy for a nation or region is a daunting challenge. The course will explore not only theory and policy, but also the nature of the organizational structure and institutions for sustained improvements in competitiveness.

Course Structure and Pedagogy

The course is a "University Course", rather than one within a single school, and is open to graduate students from all parts of the University. The students in the course will be diverse, coming from Harvard Business School, the Kennedy School, and other schools within the Harvard/MIT/Tufts communities. Advanced training in economics or management is required. The course will provide a sufficient foundation in industry competition and competitive strategy to allow students without management training to grasp course concepts.

The course will be taught using the case method, together with readings, lectures, and guests. The case method requires extensive advance preparation for each class, and a significant part of the course grade will be based on participation. The course also involves a major team project involving the competitive assessment of a particular country.

Professor Michael E. Porter will lead the course and teach a portion of the sessions, together with other faculty from the Harvard Business School and elsewhere. Other faculty or Institute Associates from the Institute for Strategy and Competitiveness will also be involved in the class sessions and in providing coaching for the team project.

The course is taught not only at Harvard but by faculty at universities in other cities and countries. Content is shared via the Internet, and there are opportunities for interactions between the students at the different locations. The ultimate aim is for the course to be taught widely at universities throughout the world, and to serve as a stimulus for new teaching materials and instructor learning that will advance competitiveness theory and practice.

### Additional Information for MBA Students

This course is different from most MBA courses in a number of respects. First, it is not a management course but a course focused on economic development. While it explores implications for companies, companies are only one of several important constituencies. Second, the course will involve the use of economic theory, though it does not require a mastery of mathematical economics. Third, the course will cover not only advanced nations but also the developing world. Fourth, the course will require more readings than is typical in an MBA course. Although a portion of almost every session will involve a case, there are extensive readings that cover the relevant concepts. Fifth, the course has fewer, longer sessions than a typical MBA course, and students will need to allocate more preparation time per session. Finally, the course will involve a substantial team project in lieu of an exam.

### The Process of Admission

Admission to the course is strictly by application. MBA students with a particular interest in the course are invited to petition for admission based on their career interests. We will hold an information session for students on Wednesday November 4, 2009, from 5:00-6:00pm in Aldrich 110.

All interested students must fill out an online application in order to be considered for the *MOC* Course this Winter. The online application poll opens on Monday, November 2, 2009 at 5:00pm. Please note: If your application is accepted, you will commit to completion of all registration requirements and to full participation in the entire course. Please do not apply for this course if you do not intend to take it.

At the end of the online application, you must upload your resume and a one page letter stating your qualifications, reasons for interest in the course, and career goals.

The online application and uploaded files must be submitted by Tuesday, January 5, 2010 at 12 noon. All information is required and late and/or incomplete applications will not be considered. All non-HBS students are required to pay the \$200 materials and technology fee to HBS MBA Registrar Services if accepted into the course. Concurrent HBS/KSG students should contact Lee Gross to confirm whether or not payment is required

Online application poll URL:

<https://secure.hbs.edu/mocApplyOnline>