

# **Microeconomics of Competitiveness: Firms, Clusters and Economic Development**

**Info Session Winter 2010**

**HBS 1260 / KSG PED 329**

Professor Michael E. Porter  
Institute for Strategy and Competitiveness  
Harvard Business School  
[www.isc.hbs.edu](http://www.isc.hbs.edu)

# Microeconomics of Competitiveness

- *MOC* is a graduate-level course, which explores the determinants of **national and regional competitiveness with a focus on the microeconomic perspective**
- It is offered to graduate students **throughout the Harvard community**
  - HBS, Harvard Kennedy School, the School of Public Health...
- The course is also designed to be taught in collaboration with **local professors** at universities **around the world**
  - More than 90 universities from almost every region will participate in the course this year

# How *MOC* is Different

The course *is*...

- A course on **competitiveness and economic development**, taking a bottom-up, microeconomic perspective
- Addresses implications for **multiple constituencies**: federal, state and local government, firms, industry associations, universities, and others

The course *is not*...

- A course on company strategy or multinational business
- A mainstream course on development, focusing only on government policy

# Microeconomics of Competitiveness

## Participating Universities, 2009

### North America

US  
Harvard University  
Loyola College, Maryland  
Syracuse University  
University of Akron  
University of Kansas  
University of Maryland  
University of Minnesota  
University of Puerto Rico  
University of South Carolina  
University of Washington  
Mexico  
CETYS Universidad  
ITESM-EGAP  
UPAEP

### Europe

Albania  
Austria  
Bulgaria  
Croatia  
Cyprus  
Czech Republic  
Finland  
France  
Germany  
Hungary  
Iceland  
Ireland  
Italy  
Latvia  
Monaco  
Netherlands  
Norway  
Poland  
Romania  
Russia  
Serbia  
Spain  
Sweden  
Switzerland  
Ukraine  
UK

University of New York in Tirana  
Vienna School of Economics  
Sofia University St. Kliment Ohridski  
J.J. Strossmayer University of Osijek  
University of Zagreb  
CIIM  
Tomas Bata University in Zlin  
Helsinki School of Economics  
ESCP-EAP  
European Business School, Oestrich-Winkel/Wiesbaden  
HHL-Leipzig Graduate School of Management  
Corvinus University of Budapest  
University of Iceland  
University College Cork  
SDA Bocconi  
Stockholm School of Economics  
International University of Monaco  
Nyenrode Business Universiteit  
BI Norwegian School of Management  
Leon Kozminski Academy of Entrepreneurship and Management  
University of Warmia and Mazury in Olsztyn  
Warsaw School of Economics  
Ion Mincu Institute for Architecture and Urbanism  
Academy of National Economy  
Astrakhan State University  
FEFA - Faculty of Economics, Finance and Administration  
ESTE – Universidad Deusto  
IESE (University of Navarra)  
Universidad de la Laguna  
Stockholm School of Economics  
Robert Kennedy College  
University of Applied Sciences Northwestern Switzerland  
University of Fribourg  
IMI-Kyiv  
Manchester Business School  
University of Bradford

### Caribbean

Trinidad &  
Tobago  
University of the West Indies

### Middle East/Central Asia

Armenia  
Israel  
Jordan  
Kazakhstan  
Pakistan

Yerevan State University  
IDC-Herzliya  
University of Jordan  
German Jordanian University  
Kazakh British Technical University (KBTU)  
Lahore University of Management Sciences

### Asia Pacific

Australia  
China  
India  
Indonesia  
Japan  
Korea  
Mongolia  
Singapore  
Taiwan  
Thailand

Macquarie Graduate School of Management  
Peking University  
Tsinghua University  
Wuhan University  
Zhejiang University  
Management Development Institute (MDI)  
University of Indonesia  
Hitotsubashi University  
KAIST  
National University of Mongolia  
Nanyang Business School  
National University of Singapore  
Lee Kuan Yew School of Public Policy  
National Taiwan University  
Yuan Ze University  
NIDA  
Sasin Graduate Institute of Business

### Central/South America

Argentina  
Bolivia  
Brazil  
Chile  
Colombia  
Costa Rica  
Dominican Republic  
Ecuador  
Nicaragua  
Paraguay  
Peru  
Uruguay  
Venezuela

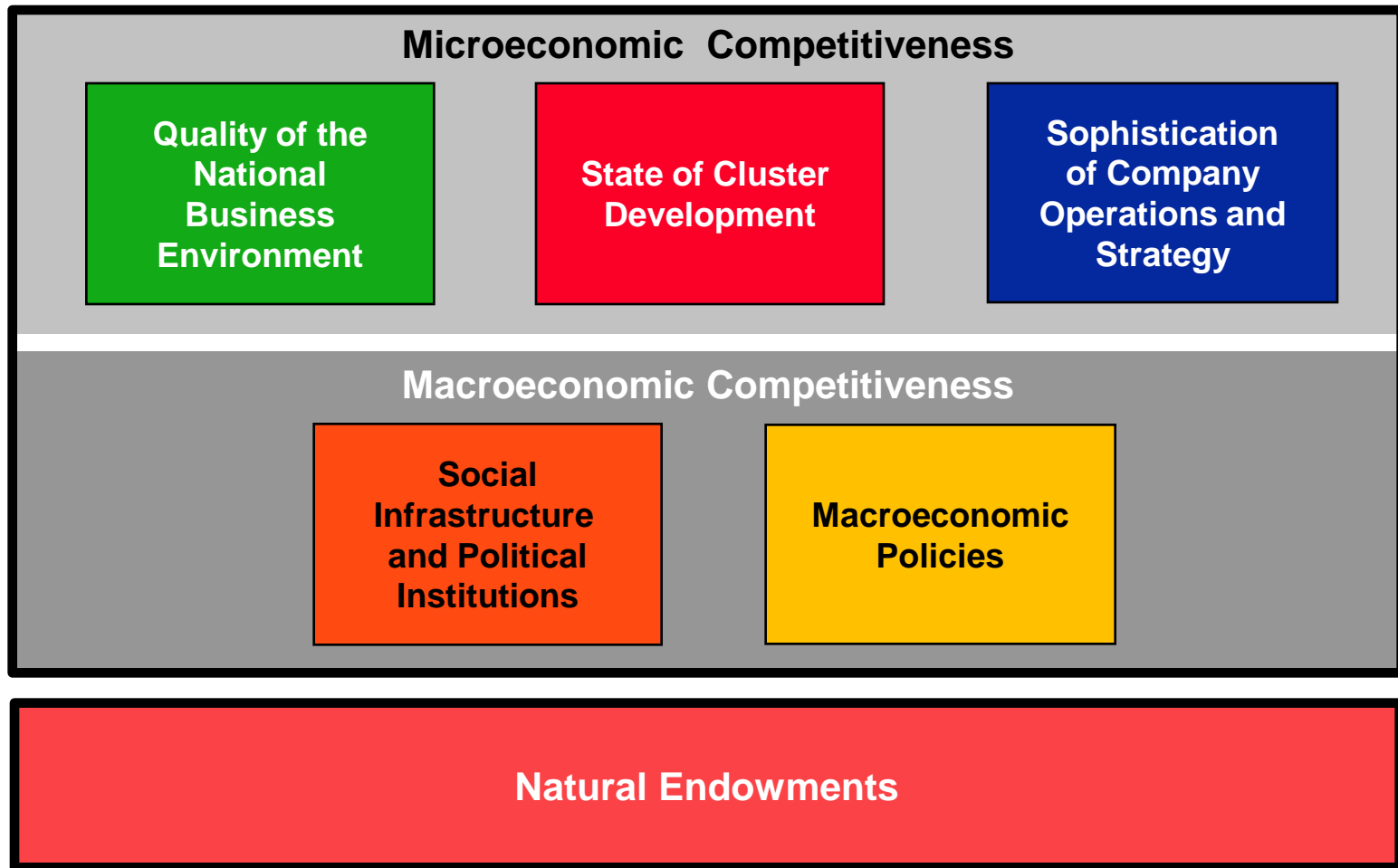
IAE  
Universidad de San Andrés  
Universidad Católica  
FGV  
Universidad del Desarrollo  
Pontificia Universidad Javeriana  
Universidad de los Andes  
INCAE  
Pontificia Universidad Católica Madre y Maestra  
IDE Business School  
INCAE  
Universidad Católica "Nuestra Señora de la Asunción"  
ESAN  
Universidad Católica  
Universidad Católica  
IESA

### Africa

Egypt  
Ghana  
Kenya  
Mauritius  
South Africa  
Tanzania

American University in Cairo  
Ghana Institute of Management & Public Administration (GIMPA)  
Strathmore Business School  
University of Mauritius  
Gordon Institute of Business Science (GIBS)  
University of Dar es Salaam

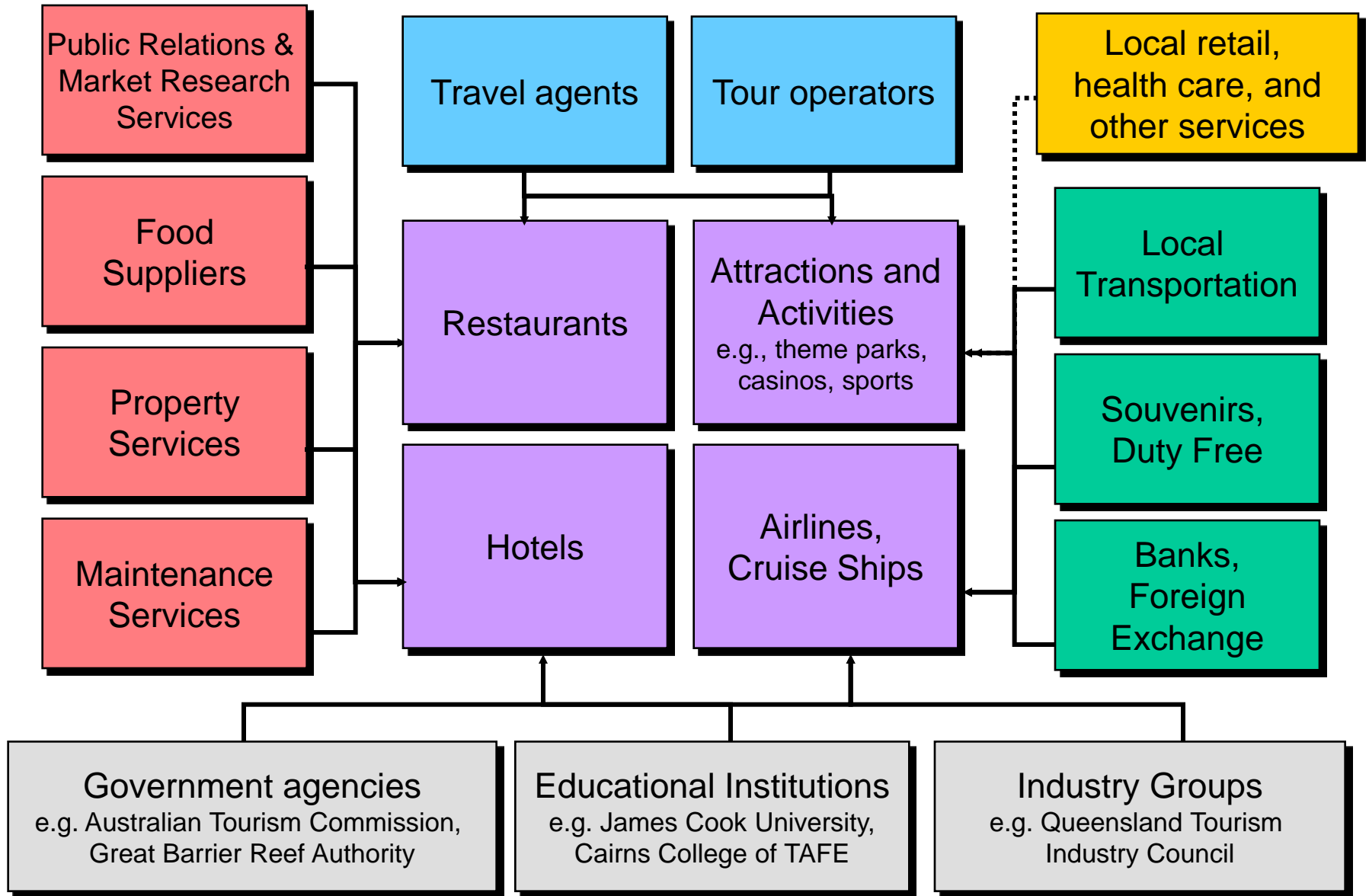
# Determinants of Competitiveness



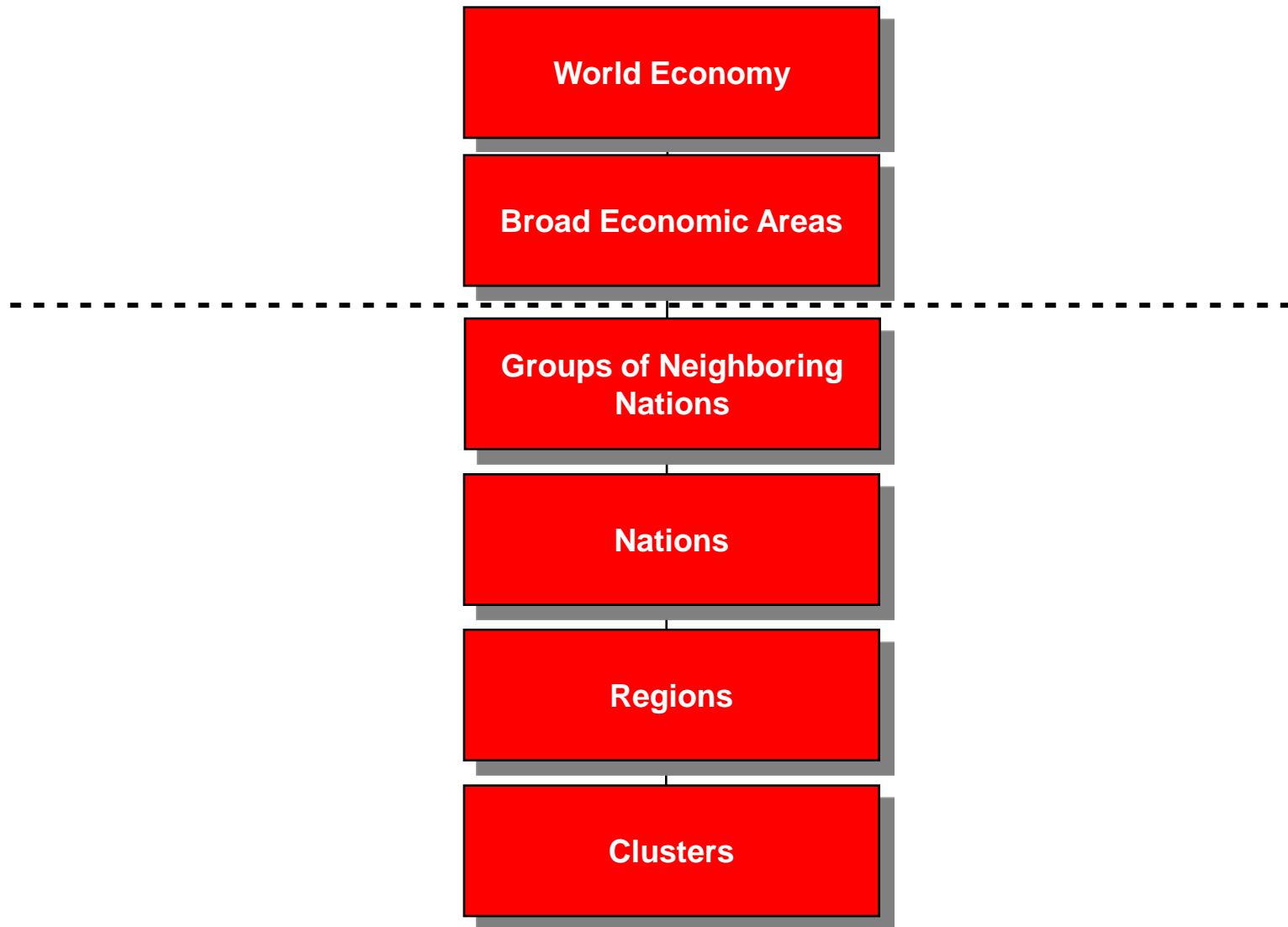
- Macroeconomic competitiveness creates the potential for high productivity, but is **not sufficient**
- Productivity ultimately depends on improving the **microeconomic capability** of the economy and the **sophistication of local competition**

# State of Cluster Development

## Tourism Cluster in Cairns, Australia



# Influences on Competitiveness



# ***Microeconomics of Competitiveness***

## **Course Outline in 2009**

<b>Part I: Firms, Industries And Cross-Border Competition</b>	1	Competitiveness: Overall Framework
	2	Competition Across Locations and Global Strategy for MNCs
<b>Part II: Locations and Clusters</b>	3	The Diamond Model: Advanced Economies
	4	The Diamond Model in Developing/Transition Countries
	5	Clusters and Cluster Development: Advanced Economies
	6	Clusters in Developing Countries
	7	Institutions for Collaboration
<b>Part III: Policy for Nations and Regions</b>	8	Economic Strategy: Advanced Economies
	9	Economic Strategy: Developing Economies
	10	Economic Strategy: States and Sub-National Regions
	11	Economic Strategy: Cities
	12	Economic Strategy: Cross-National Regions
	13	Cross-National Regions: European Integration
	14	Attracting Foreign Investment
	15	The Corporate Role in Economic Development
<b>Part IV: Project Presentations</b>	16	Team Project Presentations
	17	Team Project Presentations
<b>Part V: The Process of Economic Development</b>	18	Organizing for Competitiveness
	19	The Process Of Economic Development Course Summary

# A Typical *MOC* Class Session

- The sessions will run for **two hours** with a short break (4:15 pm - 6:15 pm)
  - A typical case discussion runs for 65-75 minutes
  - A typical lecture/guest discussion runs for 45 minutes
- For sessions in which a distinguished guest is attending, you may be asked to stay for an **additional 15 minutes** (4:15 pm - 6:30 pm)
- All sessions will be **videotaped**

# Faculty

- Principal instructor
  - Michael E. Porter, Harvard Business School, Institute for Strategy and Competitiveness
- Other instructors
  - Christian Ketels, Institute for Strategy and Competitiveness
  - Jorge Ramirez-Vallejo, Visiting Associate Professor, Institute for Strategy & Competitiveness
  - Willis Emmons, Harvard Business School
  - Niels Ketelhohn, Institute for Strategy and Competitiveness & Dean, INCAE, Nicaragua

# Profile of *MOC* Students

## 2009

### 85 students from 47 Countries

Armenia	Egypt	Kyrgyzstan	Saudi Arabia
Australia	Ethiopia	Malaysia	Scotland
Azerbaijan	Germany	Mali	Senegal
Bolivia	Guatemala	Mexico	Spain
Brazil	India	New Zealand	Sweden
Bulgaria	Iran	Pakistan	Switzerland
Canada	Israel	Palestinian	Turkey
Chile	Jamaica	Authority	Uganda
China	Japan	Paraguay	UK
Colombia	Kazakhstan	Poland	Uruguay
Croatia	Kenya	Portugal	USA
Ecuador	Kosovo	Russia	Vietnam

# Teaching Model

## Classroom

- Case study preparation and discussion
- Readings
- Lectures
- Guest protagonists

## Group project

- Country and cluster assessment
- Groups may be mixed, consisting of both HBS and non-HBS students

## Grading

- Grading: 50% class participation, 50% group project
- No final examination

## Permissions

- As part of the application process prior agreement will be required from all registering students to permit videotaping of class sessions, as well as use of group presentations and project reports as teaching and research materials with attribution

# Group Projects in 2009

## Country

- **Brazil (Sao Paulo)**
- **Brazil (Minas Gerais)**
- **China (Inner Mongolia)**
- **Croatia**
- **Egypt**
- **Germany (Hamburg)**
- **Germany**
- **Guatemala**
- **India (Maharashtra)**
- **Japan**
- **Jordan**
- **Mexico (Guadalajara)**
- **New Zealand**
- **South Africa**
- **South Africa**
- **Spain**
- **USA (Michigan)**
- **USA (North Carolina)**

## Cluster

- Bioethanol**
- Biotech**
- Wind Power**
- Shipbuilding**
- Offshoring**
- Aviation**
- PV Energy**
- Fresh Produce**
- Biopharmaceuticals**
- Video Games**
- Tourism**
- Electronics**
- Marine Services**
- Textiles**
- Wine**
- Apparel**
- Automotive**
- Furnishings**

# MOC Alumni Network Site

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[www.isc.hbs.edu](http://www.isc.hbs.edu)

MICROECONOMICS OF COMPETITIVENESS

NETWORK

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## MOC Network News

Jobs - October 30, 2009

### Research Associate in Competitiveness and Economic Development for Michael Porter

The Research Associate, based at the Institute for Strategy and Competitiveness, will work directly with Professor Michael Porter as his principal research associate in the area of competitiveness and economic development at the national, state, regional, and city levels. Responsibilities include the preparation of Harvard Business School case studies on topics related to competitiveness, working with Professor Porter to prepare presentations for academic and public policy audiences, preparing original research support and literature reviews, analyzing, expanding, and maintaining databases of economic and other data, and representing Professor Porter in forums and with groups in the competitiveness field.

See the full [job posting](#).

Course & Concept News - October 30, 2009

### Guest Video:

**Rob Walsh and David Margalit**  
Commissioner and Deputy Commissioner  
NYC Department of Small Business Services  
March 17, 2009

[\(link\)](#)



Course & Concept News - October 30, 2009

### Guest Video:

**Hernando Jose Gomez**  
Chairman of the Private Council on  
Competitiveness  
Colombia  
April 7, 2009



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### MOC Network News

Course & Concept News - October 24, 2006

#### MOC Student Feedback Survey

If you have not done so already, please complete the [MOC Student Feedback Survey](#) by the first week of November. Please see the text of Michael Porter's [letter](#) introducing the survey. The Cruikshank Company is directing the survey.

Course & Concept News - October 20, 2006

#### Featured Projects from MOC '06

*As selected by the course faculty, below are two particularly noteworthy projects from this year's course. Please contact the authors of each report for permissions to use these materials outside the MOC Network.*

#### The Dublin International Financial Services Cluster

Clare Boland, Christian Charneau, Margot Greenman, Eoin O hÓgáin, Chris Staudt



#### The Chicago Processed Food Cluster

Steve Altman, Warren Durbin, Emily Felt, Chad Hazlett, Marco Lopez-Silva



Jobs - September 22, 2006

#### **Director, Office of Innovation**

**State of Maine, Department of Economic & Community Development**

Promises an opportunity to make a real difference in Maine's future. See the [job description](#) for further details.

## Key Dates 2010

- January 5, 2010** • **Applications due**
- January 15, 2010** • **Notification of acceptance into course**
- February 1, 2010** • **First session**
- April 12 & 13, 2010** • **Project presentations**
  - **Extended class session for part of the class**
- April 27, 2010** • **Last session**
- May 7, 2010** • **Final project document due and party at Ludcke**

# Application Process

- Admission to the course requires an application
- Online applications are being accepted as of November 2, 2009
- There will be spaces reserved for HKS students, HBS students, and a smaller number of students from other schools in the Harvard community. Among HKS applicants preference will be given to second year students
- Interested students must complete the online application by no later than 10:00am on Tuesday, January 5, 2010
- <https://secure.hbs.edu/mocApplyOnline>
- Please note: only online applications will be considered
- Late and/or incomplete applications will NOT be considered
- You will be notified of your acceptance via email by end of day Friday, January 15, 2010
- All non-HBS students are required to pay the normal \$200 fee for course materials and technology to HBS Registrar Services

# Acceptance into *MOC*

- If accepted into the course, you will be asked to agree to the following as a condition of registering:
  - The course is taught by multiple faculty and guests
  - The students will hail from HBS, HKS, and other schools in the Harvard community with widely varying backgrounds and experience
  - You may be on a project team with students from schools other than your own
  - You agree to give permission to the President and Fellows of Harvard College to use the videotaped class sessions, your final project report, and a videotaped presentation of the project (if selected) for use in the preparation of teaching materials and ongoing research. Any use will involve appropriate attribution to the team
  - Students from HKS (or other non-HBS departments and schools) will **not** be permitted to drop the course

# **MOC Contacts**

## **Faculty contacts (Course content questions etc.)**

**Christian Ketels** Principal Associate, Institute for Strategy and Competitiveness

Phone: (617) 384-5935 email: [cketels@hbs.edu](mailto:cketels@hbs.edu)

**Jorge Ramirez-Vallejo** Visiting Associate Professor, Institute for Strategy and Competitiveness

Phone: (617) 496-3429 email: [jramirez@hbs.edu](mailto:jramirez@hbs.edu)

## **Administrative contact (General queries etc.)**

**Sinead Fitzmaurice** Asst. Director, Course Administration

Phone: (617) 384-8045 email: [sfitzmaurice@hbs.edu](mailto:sfitzmaurice@hbs.edu)

Institute for Strategy and Competitiveness website:

<http://www.isc.hbs.edu>