

Fulbright Economics Teaching Program

MPP7, 2014-2015

Spring Semester

REGIONAL AND LOCAL DEVELOPMENT

Teaching Team

Instructor: Nguyen Xuan Thanh E-mail: thanhnx@fetp.edu.vn
Phan Chanh Duong E-mail: duongpc@fetp.vnn.vn
Tutor: Nguyen Nguyet Hue E-mail: m6.huenn@fetp.edu.vn

Class Meetings

Tuesday and Thursday: 10:15 – 11:45 am

Office hours

	Monday	Tuesday	Wednesday	Thursday	Friday
Nguyễn Xuân Thành	15:30-17:30		15:30-17:30		
Nguyễn Nguyệt Huế		16:30- 18:00		16:30- 18:00	

Students need to contact Mr. Duong and Khai directly for meeting appointments.

Course objectives and teaching method

This is a course on competitiveness and economic development, taking a bottom-up and microeconomic perspective. This course is built upon the FETP's traditional Marketing Places course but takes a new path, which is extensively informed by the Microeconomics of Competitiveness course pioneered by Michael Porter at the Harvard Business School.

The objective of this course is to address the question: How does a constituency (national government, sub-national government, region, cluster, industry association and others) build up its competitiveness to achieve the development goals?

The course will make an extensive use of case studies, mostly drawn from the FETP and Harvard Business School's case libraries. Before each class, the students are encouraged to read and prepare the case well in advance since a significant part of the course grade will be based on participation. The course also involves a team project in which the team assesses the competitiveness of and makes recommendations for a particular constituency.

Course description

The course is divided into three parts. In Part I, students will be introduced to the basic concepts and analytical framework of Microeconomics of Competitiveness. This part begins with a definition of competitiveness and a discussion of its determinants. These concepts will then be illustrated by the course's first case in which students apply general equilibrium analysis to national competitiveness.

In Part II students are introduced with an important analytical tool - the so-called "diamond model," and a key concept - the industrial cluster. The diamond model is an useful way to analyze the attributes of a constituency's competitive advantage. These attributes include factor conditions, demand conditions, related and supporting industries, and firm strategy, structure and rivalry. A cluster is defined by Porter as "a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities." The cluster concept represents a way of thinking about how to coordinate, build and upgrade the competitiveness of a national, regional, or local economy by increasing productivity and operational efficiency, stimulating and enabling innovations, and facilitating the formation of new businesses.

Part III introduces a series of case studies on the economic strategy at different scopes (broad economic area, nation, and sub-nation) and for different types of economies at various levels of development (advance, developing, and transition). Competitive advantage resides in the value chain, and strategy is a concerted mean to prioritize, configure, and link activities in the value chain all together. By the end of this part, students will be aware that many things matter for competitiveness and progress must be made simultaneously on multiple fronts, from company sophistication to cluster development to business environment quality. However, because of the limited resource, progress cannot be made equally on every front, and therefore strategic decision must be made to tackle the weakest links that constrain productivity. This part will help students explore further different aspects of competitiveness at regional and local levels using case studies about economic development from three region: north, central and south.

Course Requirements

This course is highly practical and applied. During the time of this course, students need to take every opportunity, both inside and outside class, to apply the concepts and analytical framework of Microeconomics of Competitiveness into practice.

Students are recommended to attend classes regularly, complete all requirements, including the written assignments and group projects. This course puts a heavy weight on students' participation and discussion during lectures and case studies.

An important part of the course is group project. It provides opportunity for students to apply basic concepts into building competitive strategy for a specific organization. Once set in motion, each group should regularly report to the faculty their topic, content and progress. The Faculty will also invite guest lecturers to come and discuss about Microeconomics of Competitiveness, with strong focus on areas that students might need more information for their group project.

To ensure this process is completed on time, below are the deadlines that the groups should follow:

- 12/02: Group allocation and project venues
- 05/03: Topic submission
- 26/03: Project outline submission
- 14/05: The 1st draft submission
- 26/05: The final draft submission
- 26/05: PowerPoint Submission

Course Assessment

Each student will be evaluated based on the quality of their participation in case study discussion, their written report and presentation. Specifically, the grade is structured as follows:

- Class participation: 25%
- Case study memo: 25%
- Group written report: 35%
- Group presentation: 15%

References:

- Porter, Michael E. (2008). *On Competition*, The Harvard Business Review Book Series, The Updated and Expanded Edition.
- Porter, Michael E. (1998). *Comparative Advantage of Nations*, The Free Press, a Division of Simon & Schuster Inc., Second edition.

PART 1: MICROECONOMICS OF COMPETITIVENESS

WEEK 1

Lecture 01 Tuesday, 27/01 *Nguyễn Xuân Thành*

Topic Overall Framework: Defining Competitiveness and Its Determinants

Readings *On competition*, chapter 6, p155-166

Case Study 01 Thursday, 29/01

Nguyễn Xuân Thành

Topic Competitive strategy

Readings (Solvell and Porter, 2008, Finland and Nokia: Creating the world's most competitive economy)
On competition, chapter 2

WEEK 2

Lecture 02 Tuesday, 03/02

Phan Chánh Dưỡng

Topic Identifying places

Readings Phan Chánh Dưỡng, Identifying places.

Lecture 03 Thursday, 05/02

Phan Chánh Dưỡng

Topic HCMC development Orientation: Heading to South toward the East Sea

Readings CASE: Phan Chánh Dưỡng, HCMC development Orientation: Heading to South toward the East Sea

WEEK 3

Lecture 04 Tuesday, 10/02 *Nguyễn Xuân Thành*

Topic Introduction to the Diamond Model

Readings On competition, chapter 6, p166-195

Case Study 02 Thursday, 12/02 *Nguyễn Xuân Thành*

Topic Analysis of Vietnam's Competitiveness

Readings Central Institute of Economic Management and Lee Kwan Yew School of Public Policy (2010). *Vietnam Competitiveness Report 2010*, Hanoi

WEEK 4

Lecture 05 Tuesday, 03/03 *Nguyễn Xuân Thành*

Topic Analysis of Provincial Competitiveness

Readings VTTA, *An Introduction of Competitiveness Evaluation Theory*

Case Study 05 Thursday, 05/03 *Nguyễn Xuân Thành*

Topic Evaluating local competitiveness using Diamond Model

Readings CASE: Ha Giang

PART II: LOCATION AND CLUSTER

WEEK 5

Lecture 06 Tuesday, 10/03 *Nguyễn Xuân Thành*

Topic Clusters and Cluster Development

Readings On competition, chapter 7

Case Study 04 Thursday, 12/03 *Nguyễn Xuân Thành*

Topic Clusters and Cluster Development: Advanced Economies

Readings CASE: (9-799-124) Porter & Bond, *California Wine Cluster*

WEEK 6

Case Study 05 Tuesday, 17/03 *Lê Thị Quỳnh Trâm*

Topic Clusters and Cluster Development: Developing/Transition Countries

Readings CASE: (9-703-422) Ketelhohn & Porter, *Building a Cluster: Electronics and Information Technology in Costa Rica*

Case Study 06 Thursday, 19/03 *Trần Tiến Khai*

Topic	Bringing Intel to HCMC
Readings	CASE: Alcácer & Herman, Intel: Strategic Decisions in Locating a New Assembly and Test Plant

WEEK 7

Lecture 07 Tuesday, 24/03 *Nguyễn Xuân Thành*

Topic Identifying clusters in Vietnam's economy
Readings (TBA)

Case Study 07 Thursday, 26/03 *Nguyễn Xuân Thành*

Topic Institutions for Collaboration
Readings 1. CASE: (9-703-437) Porter & Emmons, *Asociación Colombiana de Industrias Plásticas*
2. CASE: (9-703-436) Porter & Emmons, *Institutions for Collaboration: Overview*

PART III: REGIONAL AND LOCAL ECONOMIC DEVELOPMENT STRATEGY

WEEK 9

Lecture 08 Monday, 07/04 *Nguyễn Xuân Thành*
Topic National, Regional and Local Economic Development Strategy
Readings *Comparative Advantage of Nations*, Chapter 1

Thursday and Friday 09-10/04
Field Trip

WEEK 10

Case Study 08 Tuesday, 14/04 *Nguyễn Xuân Thành*
Topic National Economic Development Strategy
Readings CASE: (9-710-483) Porter et al., Remaking Singapore

Case Study 09 Thursday, 16/04 *Nguyễn Xuân Thành*
Topic Regional Economic Development Strategy
Readings CASE: (9-703-426) Porter, The State of Connecticut: Strategy for Economic Development

WEEK 13

Case Study 10 Tuesday, 05/05 *Nguyễn Xuân Thành*
Topic Economic Development of Red River Delta
Readings 1. CASE: Ninh Binh: Trade-off between short-run and Long-run
2. Dapice et al, History or Policy: Why don't Northern Provinces Grow Faster?

Case Study 11 Thursday, 07/05 *Nguyễn Xuân Thành*
Topic Economic Development of Central Coastal
Readings 1. CASE: Chu Lai Open Zone: The Lab for Institutional and Policy Reform
2. Reviewing Quang Nam Competitiveness

WEEK 14

Case Study 12 Tuesday, 12/05 *Nguyễn Xuân Thành*

Topic Economic Upgrading: Private Sector Development

Readings CASE: Binh Duong as business's companion

Lecture 09 Thursday, 14/05

Phan Chánh Dưỡng

Topic Redefining Mekong Delta

Readings *Mekong Delta: Linkage for sustainable development and competitiveness enhancement*

WEEK 15

Lecture 10 Tuesday, 19/05

Phan Chánh Dưỡng

Topic Concept of Marketing Places

Readings Philip Kotler (2002), Chapter 1: "The Marketing Challenge in the New Asia"

Lecture 10 Thursday, 21/05

Phan Chánh Dưỡng

Topic Building strategy for marketing places

Readings Philip Kotler (2002), Chapter 3: "How places market themselves"

WEEK 15

Wednesday, 27/05, 13:30 – 17:30

Group Project Presentation
