

# BA580B — The Integrated Global Economy

## Course Information

Course Code	2022W1 BA 580B 001/002
Credits	1.5
Instructor	Prof. Werner Antweiler
Contact	werner.antweiler@ubc.ca, 604-822-8484
Office Location	Henry Angus 275 / <a href="#">Personal Zoom Room 453 056 3390</a>
Office Hours	Fridays 09:45-11:15 or by appointment
Class Times	see timetable below; note joint lunchtime sessions
Classroom Location	see timetable below; note joint lunchtime sessions
Course Website	<a href="https://canvas.ubc.ca/">https://canvas.ubc.ca/</a>

### Section 001

Time Slot	Week 1		Week 2		Week 3		Week 4		Week 5	
	Mon Oct.31	Wed Nov.2	Mon Nov.7	Wed Nov.9	Mon Nov.14	Wed Nov.16	Mon Nov.21	Wed Nov.23	Mon Nov.28	Wed Nov.30
08:00-08:50	DL 125	—	DL 125	DL 125	—	DL 125	—	DL 125	—	DL 125
09:00-09:50	DL 125	DL 125	DL 125	DL 125	DL 125	DL 125	DL 125	DL 125	DL 125	DL 125
13:00-13:50	—	T.B.A.	—	—	T.B.A.	—	T.B.A.	—	T.B.A.	—

### Section 002

Time Slot	Week 1		Week 2		Week 3		Week 4		Week 5	
	Mon Oct.31	Wed Nov.2	Mon Nov.7	Wed Nov.9	Mon Nov.14	Wed Nov.16	Mon Nov.21	Wed Nov.23	Mon Nov.28	Wed Nov.30
13:00-13:50	—	T.B.A.	—	—	T.B.A.	—	T.B.A.	—	T.B.A.	—
16:00-16:50	HA 132	HA 132	HA 132	HA 132	HA 132	HA 132	HA 132	HA 132	HA 132	HA 132
17:00-17:50	HA 132	—	HA 132	HA 132	—	HA 132	—	HA 132	—	HA 132

Joint lunchtime sessions will combine both sections for guest speaker events.

## Course Description

The world economy is becoming increasingly interdependent as value chains extend across countries and continents, and the volume of international trade and foreign direct investment has grown faster than world economic output. The effects of globalization are complex and have created both opportunities and challenges for businesses. For example, globalization has opened new markets for businesses and has created unprecedented wealth. However, climate change and environmental concerns, as well as political and societal changes brought on by globalization, require businesses to adapt and better manage risk.

This course is designed to explore the role of businesses in the global context. The ma-

major themes covered in this course include international markets, societal trends, sustainability, international politics & institutions, and new technologies & innovation? broadly, the five factors of STEEP Analysis. How can businesses become more resilient when global value chains become increasingly extended and interdependent? How can businesses respond to climate change and related policies? Which disruptive technologies will change the economic landscape in the next decades? Which emerging political and societal trends will influence the integrated global economy?

Placed at the end of the MBA program, this course is intended to be a capstone experience that integrates knowledge from across the entire program and prepares students for the uncertainties and risks of the global economy—always expecting the unexpected, and responding to new challenges with analytic rigour based in sound economic reasoning. To aid in this process, students will be introduced to scenario writing techniques as part of a team project.

## Course Format

In-class time will be spent on lectures, guest-speakers, a variety of activities, and discussion. Students will do readings outside of classroom time. There will also be a group-based project to be completed outside of class time.

## Learning Objectives

At the end of the course, students will be able to:

- Learn how to apply STEEP (Societal, Technological, Economic, Environmental, Political) Analysis to business scenarios;
- Identify the types of risks inherent in the integrated global economy and apply mitigating strategies through resilience measures;
- Appreciate long-term trends in all STEEP areas and how they can be embraced to ensure the long-term viability of international businesses;
- Learn scenario writing techniques.

## Assessments

Component	Weight	Type	Deadline*
Scenario Writing Team Project	50%	Teamwork	Fri, Dec. 9
Assignment #1 – Innovation/Sustainability	15%	Individual	Thu, Nov.17
Assignment #2 – Guest Speaker Reflection	15%	Individual	Thu, Dec. 1
Participation	20%	Individual	—

\* Deadlines are 23:00 of that day.

## Participation

It is important to attend all sessions and fully engage in classroom discussions of the pertinent topics. Please keep your class notes up-to-date. In order to prepare for dis-

cussions in class, students must read the assigned articles and cases.

### *Assignment #1*

For the first assignments, students will be assigned a topic (or be given a variety of topics to choose from) to discuss in a written report, typically an issue that is under active discussion in the media at the time. The first assignment covers innovation and technology, and the second assignment will cover environment and sustainability. The objective of the report is to apply your knowledge to analyze the implications of the issue at hand for businesses, the effect it has on the future prospects positively or negatively. Reports will be graded on five rubrics:

- Ability to draw on business intelligence (data and sources)
- Ability to apply economic/social concepts and reasoning (rigour)
- Exploring all relevant dimensions of the problem/trend (scope)
- Describing suitable strategic responses of businesses (creativity)
- Efficacy of communication & writing (style)

This assignment should be about 3-4 pages long (maximum 2,000 words), not including any tables, figures, or bibliographic citations (as applicable). It should be concise and well-structured.

### *Assignment #2*

The second assignment is a reflection assignment where you will be asked to discuss your thoughts and reactions to the myriad of guest speakers that we will have in this course. In this reflection you could discuss what you found interesting (and why), what you agree or disagree with, what inspired you, and/or what continued learning you plan to do. You can reflect on just one of the speakers, some of them, or all of them. These are just examples on how to tackle the reflection — the approach taken is up to you.

The second assignment should be about 2-3 pages long (maximum 1,500 words).

### *Scenario Writing Team Project*

A self-directed team project is part of this course. Students are asked to form teams of five students in order to research, prepare, write, and evaluate a business scenario report.

Strategic foresight is a necessary skill in managing businesses in the international environment. ‘Scenario analysis’ describes a strategic planning method to develop action plans for contingencies in future yet-unknown states of the world. This method has been adapted from military intelligence and often involves simulations of hypothetical states of the world. Strategic foresight is gained by combining information from the five STEEP domains (social, technological, economic, environmental, and political) and understanding how interactions among them can generate different outcomes. The value of scenario analysis lies in going beyond mere extrapolation of current trends and in-

stead focus on disruptive events and contingencies. As is the case in the military, businesses need to be well prepared for eventualities.

In economic analysis, scenario planning often is useful because there is a large range of plausible outcomes and key variables (interest rates, exchange rates) are continuous. By focusing on extreme cases (“best case,” “worst case”) and an intermediate benchmark case, businesses can envision different outcomes as discrete states, and in particular safeguard against worst-case outcomes. A particularly useful part of scenario planning is “stress testing” using adverse or worst-case scenarios. For businesses, scenario planning focuses on key elements of strategic management, such as competitive advantage, value chain integration, core competence, and strategic partnerships. At its best, scenario planning can help re-envision a business in a changing landscape with a paradigm shift—for example, oil majors transitioning away from fossil fuels and morphing into broad energy companies.

The core element of every scenario plan is the assumed future state of the world. It should be a distinguishable alternative state of the world and a clear departure from “business as usual.” Student teams will be tasked with finding their own topic from among the STEEP themes. To provide some examples:

- A major technological breakthrough in battery technology (high energy density)
- The 2024 elections in the United States return an anti-trade populist to the White House
- A war breaks out across the Taiwan Strait
- A tsunami destroys critical shipping infrastructure in Asia
- A category 5 hurricane destroys most refineries along the Gulf of Mexico
- The international financial network (SWIFT) is hacked and incapacitated
- Power systems are disrupted by a geomagnetic storm (“Carrington Event”)
- GPS navigation is incapacitated by space debris (“Kessler Syndrome”)
- Artificial organs can be grown in labs reliably and cheaply
- Green hydrogen replaces natural gas and oil as energy carrier

The scenario analysis should not exceed 12 pages of text and may contain additional appendix material such as charts, figures, tables, and references. Given the space constraint, you will have to be very selective in what you include. Demonstrate that you can apply theory taught in class and that you can conduct thorough factual research (document your sources in a reference section at the end of the paper). When using information from websites, make sure that you identify the credibility and timeliness of the source.

The instructors will grade the written scenario analysis on three criteria: (a) quality and depth of research; (b) comprehensiveness and breadth of coverage; and (c) effectiveness of communication and consistency of arguments.

## Learning Materials

Recommended books and articles about scenario writing:

- Rafael Ramirez and Angela Wilkinson: “Strategic Reframing: The Oxford Scenario Planning Approach,” Oxford University Press, 2018.
- Woody Wade: “Scenario Planning: A field guide to the future,” Wiley, 2012.
- The Economist: “[Why it’s worth reading crazy-sounding scenarios about the future](#),” July 6, 2019.

Articles and Books: (readings are indicated as [R] required or [O] optional)

- The Economist magazine has a collection of “What if?” articles, which inspired the thinking behind this course. Some recent (2021) additions are: [O]
  - [What if smartphones became personal health assistants?](#)
  - [What if everyone’s nutrition was personalized?](#)
  - [What if biohackers injected themselves with mRNA?](#)
  - [What if a deadly heatwave hit India?](#)
  - All of “The World If” articles [HERE](#)
- Innovation
  - Matt Ridley: “How Innovation Works: And Why It Flourishes in Freedom,” Harper, 2020. [O]
  - Clayton Christensen: “The Innovator’s Dilemma: When New Technologies Cause Great Firms to Fail.” Harvard Business Review Press, 2016. [O]
- Sustainability & Environment
  - Böhringer et al.: [Potential impacts and challenges of border carbon adjustments](#). Nature Climate Change, January 2022. [R]
  - Hannah Beech: [Can a Tiny Territory in the South Pacific Power Tesla’s Ambition?](#) New York Times, December 31, 2021. [R]
  - UNCTAD: [Climate Change, Green Recovery, and Trade](#). 2021. [O]
  - Carolyn Deere Birkbeck: [Greening International Trade](#). May 2021. [O]
- International Trade & Politics
  - Harold James: “Globalization’s Coming Golden Age”; and Gordon Hanson: “Can Trade Work for Workers?” (Foreign Affairs, July 2021) [R]
  - “A rush to farm organically has plunged Sri Lanka’s economy into crisis” (The Economist Oct. 2021); “For Canada, organic food is an expensive status symbol. For Sri Lanka, it’s a catastrophe” (Globe and Mail, Feb. 2022); “Can vegans stomach the unpalatable truth about quinoa?” (Guardian, Jan. 2013). [R]
  - The new order of trade, The Economist, October 9, 2021. [O]
- Society
  -

Required readings are made available as a reading package via Canvas.

## Course-Specific Policies and Resources

### *Missed or late assignments, and regrading of assessments*

Late submissions will not be accepted and will receive a grade of zero.

### *Academic Concessions*

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](#). If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

### *Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on the transcript.

### *Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

### *Electronic Devices*

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School's policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students' use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

### *Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources. Details of the above policies and other RHL Policies are available at: <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

## University Policies and Resources

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

### *Copyright*

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without

permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

## Acknowledgement

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the Musqueam (x<sup>w</sup>məθk<sup>w</sup>əyəm) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site. Find out more about UBC's commitment to Indigenous engagement through [UBC's Indigenous Portal](#).

## Course Schedule

This course schedule is subject to change with class consultation.

Day-Hour	Topics & Required Readings
Week 1: Scenario Analysis	
Mon, Oct. 31	Introduction to the course; Basics of scenario analysis; Practicing scenario writing
Wed, Nov. 2	Technologies and markets of the future; <b>Guest Lecture [joint session]</b>
Week 2: Innovation	
Mon, Nov. 7	Innovation systems ...
Wed, Nov. 9	Ethics of innovation: artificial intelligence in cars; Case Discussion: responsible mining in New Caledonia
Week 3: Trade Policy	
Mon, Nov. 14	The future of globalization <b>Guest Lecture [joint session]</b>
Wed, Nov. 16	Trade wars & country risk; Case Discussion: global repercussions
Week 4: Sustainability	
Mon, Nov. 21	Carbon policies & international trade <b>Guest Lecture [joint session]</b>
Wed, Nov. 23	Global energy markets; the international green consumer and the emerging global market for electric vehicles
Week 5: Society	
Mon, Nov. 28	Fairness, Equity, Accountability, Responsibility <b>Guest Lecture [joint session]</b>
Wed, Nov. 30	Current affairs (topic chosen by students); Module conclusion and group project preparation