COURSE DESCRIPTION

An outline description of the course in National Innovation Policies and International Business:

This course examines the relationship between the strategies for innovation of multinational corporations (MNCs) and those of national governments in a global economic environment. A key theme is the relationship between innovation and competitiveness at the firm and country levels, and the interaction between these two levels since the majority of technological capacity is held by MNCs while government policies affect the extent and pattern of innovations within national boundaries. Attention is given to the distinctiveness of national patterns of technological specialization, how these reflect the characteristics of local policies and institutions, and how they have been changing over time. The international location of technological activity is considered from the national perspective of the effects of globalization on catching up (or falling behind); from the cross-border perspective of MNCs; and from the local perspective of regional systems of innovation and localized clusters, and the interactions in knowledge creation between MNC subsidiaries and indigenous firms. The course concludes with an evaluation of how innovation policies are being gradually reshaped in the current context of the globalization of a knowledge-driven economy.

COURSE SCHEDULE

Week 1, January 20th

1. A review of cross-country differences in national innovation policies.

   (An introduction pertinent to each of the remaining topics; students should treat this as essential background material, but there is no term paper corresponding to this topic.)


Week 2, January 27th

2. International competitiveness at a country or industry level.

**Paper Title:** Discuss why national competitiveness need not be a zero sum game.


Week 3, February 3rd

3. Historical patterns of technological change across countries, and the impact of international business activity.

**Paper Title:** Evaluate the effect of historical changes in the way in which innovation is organized on national patterns of technological specialization.


**Week 4, February 10th**

4. Cross-country catch-up (or falling behind) in innovative activity, and the effects of globalization.

**Paper Title:** Assess how the role of international business connections in countries that are catching up technologically depends on the stage of national development, and on the local institutional and policy environment.


**Week 5, February 17th**
5. The competitiveness of multinational corporations (MNCs) and the cross-country organization of innovation.

Paper Title: Consider the relationship between corporate competitiveness, the multinationality of activity, and R&D-intensity.


Week 6, February 24th


Paper Title: Assess the role of international business connections in the recent success of Japanese and East Asian firms, and how these firms have contributed to the emergence of a new technological paradigm.


Week 7, March 3rd

7. Regional systems of innovation and localized clusters.

Paper Title: Assess how MNCs may create competitive advantage through their participation in localized inter-firm clusters, and comment on the implications for regional policy-makers.


8. Local and international knowledge accumulation in MNCs.

**Paper Title:** Evaluate the conditions under which, when they are developing innovations in a given location, MNCs source relatively more technological knowledge from the local environment, from their home country, or from other parts of the world.


Week 9, March 17th

Spring recess week, no class.

Week 10, March 24th

9. National systems of innovation, and their interaction with MNCs.

**Paper Title:** Briefly describe the concept of a national innovation system (NIS), and examine how the interrelationship between NISs and the international innovation networks of MNCs has affected NISs.


Week 11, March 31

10. MNC subsidiary and indigenous firm local competence development, and inter-firm knowledge spillovers.

**Paper Title**: Examine the relative significance, to the learning processes of indigenous firms in host countries with a foreign MNC presence, of the following factors: the technology gap, the extent of local absorptive capacity, and the motives and MNC group status of local subsidiaries.


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Week 12, April 7

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11. National innovation policies in catching up economies, and the varying role of international business.

**Paper Title:** Evaluate how, if at all, innovation policies should differ in catching up economies, compared to such policies in longer established industrialized countries.


Week 13, April 14th

Discussion of first set of student presentations.

Week 14, April 21st

Discussion of second set of student presentations.

Week 15, April 28th

No class; completion of term papers; submission of term papers due by Monday, May 4th, via the Blackboard course site (under the tab "Assignment", you'll find an assignment named "Term paper", click "View/Complete", upload your paper there, and submit).