



**MGMT/OPIM 890**  
**Managing in Emerging Economies:**  
**Energy & Infrastructure in Brazil**

Faculty: Ruben Lobel and Mauro F. Guillén

Location: Rio de Janeiro, Brazil

Dates: January 7-10, 2014

Local partner: FGV

Lecture Room at FGV: 537

Emerging economies now represent nearly 50 percent of the global economy. Moreover, new, dynamic emerging-market multinationals are making a dent in global competition, not just in traditional industries but also in high-tech activities. In particular, energy and infrastructure development are two key areas of growth in which companies from emerging economies are generating new, innovative ideas and practices. The growth of a middle-class of consumers and the increasingly important financial surpluses are two other key characteristics of emerging economies that are reshaping the global economy.

This course will provide a solid understanding of:

- The major economic, political, financial and demographic trends affecting emerging economies.
- The essential tools for competing in emerging markets.
- The rise of emerging-market multinationals.
- The relationship between business and government in emerging economies.

The focus of the course will be on the specific context of the energy and infrastructure sectors of Brazil, the world's third-largest emerging economy, and the leading economic and financial power in Latin America. In particular, the following topics will be addressed:

- Recent socio-economic, regulatory and political developments.
- The Brazilian energy sector.
- World-class technology development in deep-water oil exploration and sugarcane ethanol production.
- Infrastructure development: transportation, telecommunications, electricity, gas and water.
- Public-private partnerships in energy and infrastructure.
- The role of private equity in infrastructure development.
- Building the infrastructure for the FIFA World Cup in 2014 and for the Rio Olympic Games in 2016.
- The global expansion of Brazilian multinationals

The course will include lectures, guest speakers, interactive case discussions, and corporate and government visits.

Grading criteria:

Students will be given a letter grade, unless they choose the pass/fail option.

- 35% class participation. Students are expected to attend all classes.
- 15% participation during site visits. Students are expected to attend all corporate visits.
- 50% individual final paper. Students should choose a topic related to the course and write a paper of approximately 20-25 double-spaced pages in length (excluding references, tables, figures and the like). A one-page description of the paper topic is due January 17. The paper itself is due on February 14. The paper should include: an abstract, an introduction, a main body with a conceptual framing and empirical data, and a conclusion. References should be included either in footnotes or at the end of the paper. Please note that the paper should not be about your experiences during the trip, but rather a systematic analysis of a topic of your choice that has to do with Brazil.

Required readings:

- All readings listed on this syllabus are required and must be completed prior to their discussion in class.
- They are available from our Canvas website under Files\Readings, with the only exception of the three company cases noted below, which are available from Study.net for Wharton students.

## About the Instructors

**Ruben Lobel** is an Assistant Professor in Operations and Information Management. He obtained his Ph.D. in Operations Research at MIT, where he focused on problems of policy design for green technologies and robust data-driven optimization. Previously, he obtained a B.S. in Electrical Engineering at PUC-Rio (Brazil). He has also worked in finance and consulting for companies in the electricity industry in Rio de Janeiro, New York and Boston. His current research goal is to tackle questions about how green technologies (e.g. solar panels, electric vehicles, energy efficiency) spread through the consumer market and how policy makers can influence this process efficiently.

**Mauro F. Guillén** is the Director of the Joseph H. Lauder Institute for Management & International Studies, the Director of the Penn-Lauder Center for International Business Education & Research, and the Dr. Felix Zandman Professor of International Management at the Wharton School. He previously taught at the MIT Sloan School of Management. He received a PhD in sociology from Yale University and a Doctorate in political economy from the University of Oviedo in his native Spain. His current research deals with the impact of globalization on cross-national patterns of organization and innovation, and with the international expansion of the emerging-market multinationals. His most recent books are *Green Products: Perspectives on Innovation & Adoption* (2011), *Global Turning Points* (2012), *Emerging-Markets Rule* (2012), and *The New Multinationals* (2010). He is a Guggenheim Fellow, Member in the Institute for Advanced Study in Princeton, and a Trustee of the Madrid Institute for Advanced Study. He is the Vice-Chair of the World Economic Forum's Global Agenda Council on Emerging Multinationals. His personal website is at: <http://www-management.wharton.upenn.edu/guillen/>

## SCHEDULE OF CLASSES & VISITS

### **Introductory Lecture & Orientation Session**

November 19

6-8 pm

Room 0105 SHDH

[Guillén and Lobel]

## **Tuesday January 7**

**\*\*\*All speakers and site visits subject to change\*\*\***

Please arrive between 8:00 and 8:30 am to process the check-in registration and receive your FGV badge. Then proceed to lecture room 537.

### **9:00-9:30**

#### **Introduction to the Course**

Guest speaker: Flávio Vasconcelos, Dean of EBAPE/FGV [to be confirmed]

### **9:30-12:00**

#### **The Brazilian Economy**

[Guillén]

Readings:

EIU, Brazil (2013).

Doing Business 2014: Brazil.

### **12:00-1:15**

#### **Lunch**

### **1:15-2:00**

#### **Cities and Global Sporting Events**

[Guillén]

Readings:

BMI, Brazil Tourism Report (2014).

Economic Impacts of Olympic Games (2009).

London 2012: Facts and Figures.

Eduardo A. Haddad and Paulo R. Haddad, "Major Sport Events and Regional Development: The Case of the Rio de Janeiro 2016 Olympic Games." *Regional Science Policy & Practice* 2(1) (June 2010):79-95.

### **2:00**

#### **Board bus to Olympic Committee**

### **3:00-5:00**

Guest Speaker: Leonardo Gryner, Brazil Olympic Committee

### **5:00**

#### **Board bus to return to FGV**

**Wednesday, January 8**

**9:00-10:15**

**Brazil as a Global Power**

[Guillén]

Readings:

Peter Dauvergne and Déborah BL Farias, "The Rise of Brazil as a Global Development Power." *Third World Quarterly* 33(5):903-917.

Alexandre de Freitas Barbosa, Thais Narciso, and Marina Biancalana, "Brazil in Africa: Another Emerging Power in the Continent?" *Politikon* 36(1) (April 2009):59–86.

**10:15**

**Board bus to Local FIFA Committee**

**11:00-12:30**

Guest Speaker: Chico Mussnich, FIFA Local Committee

**12:30**

**Board bus to FGV**

**1:00-2:30**

**Lunch**

**2:30-5:30**

\*\*\*Guest Speaker: Luiz Augusto Barroso, PSR

\*\*\*Lobel: Wind

**Wind Power in Brazil**

[Lobel]

Readings:

Porrua, F., B. Bezerra, L.A. Barroso, P. Lino, F. Ralston, and M. Pereira. "Wind power insertion through energy auctions in Brazil." *Power and Energy Society General Meeting*, pp. 1-8. IEEE, 2010.

Cunha, G., L. A. Barroso, F. Porrua, and B. Bezerra. "Fostering Wind Power Through Auctions: the Brazilian Experience." *International Association for Energy Economics (IAEE) Energy Forum*, 2012

Sawyer, S. "No bed of roses for Brazilian wind plans." *Renewable Energy Focus* 13, no. 5 (2012): 24-25.

**Thursday, January 9**

**9:00-12:00**

\*\*\*Lobel: energy market simulation

\*\*\* Ethanol in Brazil

[Lobel]

Readings:

Case: "Cosan: Thinking outside the barrel." HBS 710017-PDF-ENG

**12:00-1:30**

**Lunch**

**1:30**

**Board bus to favela presentation and tour**

**Friday, January 10**

**9:00-9:30**

**Infrastructure in Brazil**

[Guillén]

Readings:

“Brazil Infrastructure Report.” Business Monitor International (Q1 2014).

“Brazil Real Estate Report.” Business Monitor International (Q1 2014).

“Brazil Telecommunications Report.” Business Monitor International (Q4 2013).

**9:30-11:00**

Guest speaker: Fernando Correa, Vale Logistics.

Case: “Vale: Global Expansion in the Challenging World of Mining.” HBS 9-710-054.

**11:00-12:00**

**Brazilian Multinationals**

[Guillén]

Readings:

Guillén, Mauro F. and Esteban García-Canal. 2009. “The American Model of the Multinational Firm and the ‘New’ Multinationals from Emerging Economies.” *Academy of Management Perspectives* 23(2) (May 2009):23-35.

Guillén, Mauro F. and Esteban García-Canal. 2011. “The Rise of Emerging-Market Multinationals: Growing by Leaps and Bounds.” *IESE Insight* (Third quarter):13-19.

Casanova and Kassum, “Brazilian Emerging Multinationals.” INSEAD (2013).

Case: “Odebrecht: Dreaming the Client’s Dreams.” IMD-3-2178 (2011)

**12:00-1:00**

**Concluding Remarks**