

School of Management

**MMBA 578 – Special Topic: Economics, Innovation and Prosperity
in New Zealand**

Trimester Two 2012

COURSE OUTLINE

Names and Contact Details

COURSE COORDINATOR

Prof Shaun Hendy

Room: LB503, Laby Building, Kelburn Campus

Phone: 463 5809

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Website: <http://www.victoria.ac.nz/scps/about/staff/shaun-hendy>

SENIOR ADMINISTRATOR

Linda Walker

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Trimester Dates

Teaching Period: Monday 16 July – Friday 19 October

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before 27 July 2012.
2. The standard last date for withdrawal from this course is Friday 28 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Commerce Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Lectures: Saturday 11 & 18 August and 15 & 22 September – 09:30 to 12:30 and 13.30 to 16.30

Venue: RHMZ05 (Mezzanine Floor, Rutherford House)

Course Content

The reasons why New Zealanders work harder and earn less than most other people in the developed world are not well understood. In fact, New Zealand's lack-lustre economic performance following the free-market reforms of the 1980s is often cast in the form of a paradox: "The mystery is why a country that seems close to best practice in most of the policies that are regarded as the key drivers of growth is nevertheless just an average performer" (OECD, 2003). To what extent is this paradox related to New Zealand's struggle to innovate? On a per capita basis, New Zealand produces one-quarter as many patents as the OECD average. Why is this? What determines a country's capacity to innovate?

The goal of this course is build an understanding of the links between innovation, productivity and economic growth. We will take a quantitative look at how innovation works, both in New Zealand and in other countries, and investigate the extent that economic geography dictates a country's ability to innovate and to lift its productivity. We will discuss the many types of market failure that can inhibit innovation, and evaluate the corresponding options for interventions.

The course will draw on modern theories and empirical studies of economic growth, as well as patent data and international trade statistics to help understand the international context in which New Zealand's economy is embedded. It will use examples from the innovation systems of other small countries and the latest methods from complex systems research. The course builds on Sir Paul Callaghan's and Prof Shaun Hendy's 2012 book, "The New Zealand Paradox: Innovation, Economics and Prosperity" (*forthcoming*).

Course Learning Objectives

On successful completion of the course, students will:

1. Gain an understanding of the links between economic growth, productivity and innovation;
2. Have an in-depth understanding of the New Zealand innovation system, both public and private sector;
3. Understand how and why markets can fail to deliver economically optimal rates of innovation; and
4. Confidently formulate and analyse the intervention logic of a range of innovation policy levers and understand their utility in a New Zealand context.

The assessment for this course is comprised of two elements: 1) a written report and presentation on an analysis of a particular innovation policy intervention (using evidence from the academic literature) and a discussion of its applicability in the New Zealand context (50%), and 2) a written case study of innovation in a New Zealand or overseas industry sector (50%).

Expected Workload

Workload expectations for this course are 10 hours per week for the 12 teaching weeks and 30 hours during the mid-trimester break.

Readings

The required textbook for this course is: "The New Zealand Paradox: Innovation, Economics and Prosperity," by Sir Paul Callaghan and Prof Shaun Hendy, AUP (*forthcoming*).

Further readings will include current and seminal articles from the economics, econometrics and innovation management literature.

Assessment Requirements

Assessment Philosophy – The student should be able to analyse and critically discuss a range of innovation policy interventions and apply these to the New Zealand context at an industry level.

Assignment Types	Description	Weight	Date
1a	REPORT The course coordinator will provide a range of innovation policy interventions for study. This list will not be exhaustive – innovative interventions will especially welcomed!	40%	Due by electronic submission by 5 pm, Friday Sept 21. Maximum Length: 3,000 to 4,000 words
1b	PRESENTATION Presentation to the class of your completed report, and participation in a critical discussion of your analysis.	10%	Verbal presentation (10 mins plus discussion) to the class due at the final lecture, Saturday Sept 22.
2	CASE STUDY The course coordinator will discuss an appropriate case for study with you. You will be encouraged to study an industry sector with which you are not familiar.	50%	Due by electronic submission by 5 pm, Friday Oct 5. Maximum Length: 4,000 to 5,000 words
	TOTAL	100%	

1 a. REPORT

Marks: 40%

This part of the course assessment will be based on a written report on an analysis of a particular innovation policy intervention using evidence from the academic literature and a discussion of its applicability in the New Zealand context. We will discuss a range of interventions in class, including conventional approaches like R&D tax credits, government research and development, patents, as well as more novel approaches such as innovation prizes. Students can select an intervention that has been discussed in class, or they may choose to investigate approaches that have not been covered. A good report will include a sound theoretical description of the intervention logic, a review of any relevant empirical data on its effectiveness and a thoughtful analysis of its relevance to the New Zealand context.

1 a. PRESENTATION

Marks: 10%

A presentation on your analysis of the innovation policy intervention from the report above. A good presentation will quickly introduce the aims of the intervention, provide a succinct analysis of the strengths and weaknesses of the approach, and give an overview of the evidence for and against. Students will also be graded on their ability to answer questions.

2. CASE STUDY

Marks: 50%

This part of the assessment is based on a written case study of innovation in a New Zealand or overseas industry sector. This study should be distinct from any of the case studies used in class. It can be a New Zealand or an overseas sector of the student's choice, but ideally the sector should be innovative and based on modern science and/or technology. The case study should include a brief summary of the key technology used by the sector, a discussion of the role of economic geography in the sector's development and a description of any government interventions that may have played a role in the sector's success. The sector does not necessarily need to be a successful one (e.g. Taiwanese aerospace).

Quality Assurance Note

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

Mandatory Course Requirements

To meet Mandatory Course Requirements, students are required to:

- a. Complete a written report on an analysis of a particular innovation policy intervention and present to MMBA 578 class members.
- b. Be an active member of class, including participation and listening to others.
- c. Complete a written case study of innovation in a New Zealand industry sector.

Penalties

In fairness to other students, work submitted after the deadline will be subject to a penalty of 5% of the total marks available per day of lateness. Exercises and assignments more than one week late will not be accepted. A “zero” mark will be applied. In the event of unusual, unforeseen circumstances (e.g., serious illness, family bereavement), students should discuss waiver of the penalty with the course coordinator prior to the deadline date.

Victoria MBA Grading Standards are as follows:

Excellent Category

A- (75 – 79%) to A (80 – 85%) to A+ (85% and above): The learning is demonstrated to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master’s level.

Very Good Category

B+ (70 – 74%): The learning is demonstrated at a high standard. Students have reached a level that clearly exceeds “competency”.

Good Category

B (65 – 69%): The learning is clearly demonstrated without being exceptional in any way. Students can be thought of as fully competent.

Satisfactory Category

B- (60 – 64%): The learning is demonstrated without being exceptional in any way. Students can be thought of as competent.

Marginal Category

C (50 – 54%) to C+ (55 – 59%): The learning is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student.

Unsatisfactory / Failure Category

E (0 – 39%) to D (40 – 49%): The learning is absent or performed to a very low level, or the performance is seriously flawed.

Referencing

There are many different styles of referencing and the Faculty of Commerce & Administration at VUW has decided to make APA (American Psychological Association) referencing style the common standard across the Faculty. The Commerce and Central Libraries hold the APA Style Guide. You can also access the information from the online VUW library site

<http://www.victoria.ac.nz/library/research/reference/referencingguides.aspx>

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication

Information on course-related matters will be announced at class and posted on the **Blackboard** website at <http://blackboard.vuw.ac.nz/>. It will be crucial for you to regularly check Blackboard for messages, announcements and materials.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at

www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce Office

<http://www.victoria.ac.nz/vbs/studenthelp>

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

<http://www.victoria.ac.nz/tpa/>

Course Content and Schedule**Annex A.**

Lecture	Date	Topic	Readings
1.	1/9	An economic history of New Zealand	See web – blackboard
2.	1/9	Theories of economic growth and the economics of ideas	See web – blackboard
3.	8/9	Innovation: models, stylised facts and complexity	See web – blackboard
4.	8/9	Innovation: market failure and intervention	See web – blackboard
5.	15/9	New Zealand’s innovation ecosystem	See web – blackboard
6.	15/9	New Zealand’s public innovation system	See web – blackboard
7.	22/9	Presentations and discussions	See web – blackboard
8.	22/9	Interventions for New Zealand	See web - blackboard