

Sustainability and Global Value Chains

(MNGT-E2005, 6 cr)

SYLLABUS (12.11.2021)

Instructors' contact information	Course Information
Responsible teacher: Tiina Ritvala E-mail: tiina.ritvala@aalto.fi https://people.aalto.fi/tiina_ritvala Phone +358 40 353 8352 Co-teacher: Iiris Saittakari (iiris.saittakari@aalto.fi) Teaching Assistant: Emilia Eräpolku E-mail: emilia.erapolku@aalto.fi	Status of the course: Elective in Degree Programmes in Management and International Business and Creative Sustainability, CEMS, and AALTO minor in World in Transition Academic Year: 2020-2021, Autumn II (2.11-9.12.2021) Location: Online course (in Zoom), exceptions: Excel workshop in Väre, R102 IT Class and possible company excursion (remote options offered) The Zoom link will be sent to the registered student's email address a few days before the first class. Lecture time: TUE & THU at 13:15- (check below) Language of Instruction: English Course Website: https://mycourses.aalto.fi/course/view.php?id=33769

1. LEARNING OUTCOMES

This course provides an overall understanding of how contemporary international businesses are integrating sustainability in their strategies and activities across their global value chains. Upon completion of the course, students are able to understand various ways through which multinational enterprises (MNEs) and smaller businesses can balance the needs of the society, the environment and the business. Students are also able to differentiate between globally integrated, locally adapted and transnational MNE sustainability strategies and evaluate how the UN Sustainable Development Goals affect international business strategies and global value chains.

2. CONTENT

The course offers an overview of theoretical perspectives and topics at the international business-society interface. The themes range from global value chains and international sourcing, and underlying environmental and social/human rights questions, to MNEs' sustainability transformations and shared value creation. The course is highly interactive. Cases are drawn from a variety of industries and geographical contexts. Through a series of participatory lectures and group works, students will be invited to deepen their understanding of sustainable global business and reflect their professional interests and aspirations. Several classes will feature a guest.

3. LECTURES

Lectures will be kept mainly remotely in Zoom (see the schedule below). Introductory videos, readings and discussion questions will be available prior to the lectures. Lectures are interactive and engage several top professionals in their fields. To get credit for the course, you must attend two thirds of the formal lectures (6/9). Furthermore, the participation in the first lecture is compulsory. Active contribution to class discussions and pre-assignments will account for 20 percent of the course grade, as described next.

4. ASSESSMENT AND GRADING

The assessment of this course is based on four separate items that are explained in more detail below:

Individual assignments (70%)

- Participation and contribution (20%)
- Excel assignment (10%)
- Final paper (40%)

Group assignment (30%)

- Group project: Video and one page executive abstract (30%)

INDIVIDUAL (70% of course grade):

PARTICIPATION AND CONTRIBUTION, 20% (max. 20 points)

This course has preparatory homework to be completed before lectures. These assignments form an important part of your learning in the online setting. While these pre-assignments are not compulsory, we strongly encourage you to complete these as they support your learning and prepare for the in-class discussions. The participation and contribution grade is based on the holistic assessment of the quality of written assignments and contribution to the classroom discussions.

General guidelines for the pre-class assignments:

Length: 1 page, max. 500 words

Format: Font size: 12 Times New Roman, 2.0 line spacing, submit as a Word document

Deadline: Previous night before the session at 23:59/ MyCourses

EXCEL ASSIGNMENT, 10% (max. 10 points)

During the course you will perform an assignment that will improve your Excel skills. MNEs actively shape global value chains by moving their operations from one country to another. In this assignment you get to analyze what kind of operations Finnish and foreign-owned firms have moved from Finland to other countries and from abroad to Finland in 2019 and 2020. You will be given a file that contains data on 403 companies in Finland. The data was collected for Finland as a Business Location barometer conducted by Business Finland and Amcham Finland in 2020.

The database contains the following information:

- Operations that have been moved from Finland to other countries
- Operations that have been moved from abroad to Finland
- The most significant transfer of operations, measured in euro terms

- The reasons for transferring the operation

By using pivot tables, please prepare an analysis on what kind of operations have been moved from Finland to other countries and vice versa. Also, identify which transfer of operation was the most significant, and analyze what were the reasons for moving it. Please write a short summary of your analysis and discuss your findings in the light of the global value chains. Add charts and tables to support your analysis.

No previous excel skills are needed – the purpose of the exercise is to learn how to apply excel for such analysis. More detailed instructions will be given in lecture 3. Guidance will be given in an Excel workshop in lecture 6 (Thursday 18.11) for those who need help with Excel. The workshop has a physical and remote options. The physical workshop is at Väre, R102 IT Class at 13:15 – 14:15. The number of participants is restricted to 30 students and requires reserving a slot in advance via MyCourses. The remote workshop is 14:30-15.30 via Zoom.

While students must pass this assignment in order to pass the course, the workshop is not mandatory. There will be an instructions video available in addition to the workshop.

Length: Excel file with the tables and charts and a summary of about 500 words, 1-2 pages

Format: Summary Font size: 12 Times New Roman, 2.0 line spacing, submit as a Word document

Deadline: November, 22 at 23:59 / The assignments submission box in MyCourses

FINAL PAPER, 40% of course grade

Part 1. Case analysis (max. 30 points)

Please pick one of the case companies that our class visitors presented. Your task is to analyze the GVC of that company and suggest a roadmap for upgrading it from the perspective of sustainability. Depending on the context (size, industry etc.) you may wish to concentrate on some dimension of sustainability (e.g., environmental), but we would like you include a reflection of your suggested changes on the other dimensions (e.g., social, economic), including not only the organization, but also the broader community (e.g., city, country, region).

In your essay, you should:

1. Describe the primary components of the global value chain
2. What are the UN SDGs where the company can make the biggest impact?
3. Which companies are the orchestrators of the value chain?
4. What do you consider the “weak spots” in the GVC from the perspective of sustainability?
5. Suggest strategies through which these challenges may be overcome.

Please make reference to relevant literature throughout your analysis and attach a list of references at the end of your essay. The length for the Part 1. is 2000-2500 words.

Part 2. Personal reflection on learning outcomes (max. 10 points)

Please reflect upon the most important take-aways from this course by answering:

1. How has your understanding of sustainability and global value chains evolved during this course? What are the main theoretical concepts that you gained from the lectures?
2. What are the key sustainability related insights that you took with you from the visiting guests? Reflect on one key insight from each guest speaker.

3. How might the knowledge and skills gained from this course be important to the work you do in the future?

Friendly tip: Keep a learning diary during this course! The length for the Part 2. is 1000 words.

Total length (Part 1 and Part 2): 3000-3500 words, without references

Format: Font size: 12 Times New Roman, 2.0 line spacing, submit as a Word document

Deadline: December 23rd, 2021, at 23:59 / The assignments submission box in MyCourses

Grading criteria:

1) content and analysis: key elements of the question are covered comprehensively and deeply, reflexive and critical use of the course readings and frameworks, depth of analysis.

2) organization and style: logical structure of the essay, including an introduction and a conclusion, clear writing style with complete and concise sentences, proper use of references (including a list of references at the end of the essay).

GROUP PROJECT (max. 30 points)

Your task is to make a proposal for fostering the sustainability of GVC to fight dangerous climate change. First familiarize yourself with the Science-based Targets Initiative (SBTi). Then pick an MNE from the section “Companies taking action” and envision a new way the company may cut its emissions across the GVC. As a part of your analysis consider what is needed from different actors (e.g., supply side companies, demand side companies, finance actors, policy makers, civil society).

Start by familiarizing yourself in the following webpages:

<https://sciencebasedtargets.org/about-us>

<https://racetozero.unfcc.int/wp-content/uploads/2021/08/2020-Breakthroughs-Upgrading-our-sytems-together.pdf>

Format: Pecha Kucha presentation (20 slides x 20 seconds, see <https://www.pechakucha.com/>)

In addition to the oral presentation, the group project is documented in one page executive abstract.

Please note that all literature and pieces of information must be clearly referenced as an appendix to your slides set and executive abstract. Attach also an appendix describing the role and contribution of each team member to the executive abstract.

Format: Font size: 12 Times New Roman, submit as a Word document

Deadline for the video and the abstract: 5 December 2021 at 23:59 / The assignments submission box in MyCourses

Grading criteria:

Holistic assessment of the presentation and executive abstract. We will specifically consider audience orientation, quality of analysis and innovativeness of the solution, organization of the presentation, visual design and language. To pass this assignment, each group must also give constructive feedback for an assigned video made by a peer group.

You will be divided into groups of 5-6 students during the first session. Note that each group member is expected to contribute equally. Team members will grade each other’s contributions by using the

school ‘Teamwork Rubric’ at the end of the course (online). If there is a problem in the group work, the group should first try to solve it by itself and if the problem remains unsolved, then contact the course teachers. Note that it is possible that group members get different grades if contributions have not been equal.

5. SCHEDULE

#	Date & time (Zoom)	Topic	Assignment
MODULE 1: INTRODUCTION			
1	Tue 2.11. 13:15 – 15:30	Why sustainability and global value chains? Course goals and practicalities Core concepts and examples	Pre-assignment 30.10 at 23:59 in MyCourses
2	Thu 4.11. 13:15 – 15:30	What are sustainable global value chains? with class guest Hanna Kalliomäki, Sustainability Director of Paptic	Pre-assignment 3.11 at 23:59 in MyCourses
MODULE 2: SOCIAL, ECONOMIC AND ENVIRONMENTAL UPGRADING IN GVSs			
3	Tue 9.11. 13:15 – 15:30	How to build less risky and more inclusive and fair global value chains? with class guest Sami Itani, Professor of Practice, Aalto University School of Business	Pre-assignment 8.11 23:59 in MyCourses
4	Thu 11.11. 13:15–15:30	Why and how to green maritime transport and seaports? Group work consultations: option 1 (remote option)	Pre-assignment 10.11 23:59 in MyCourses
5	Tue 16.11. 13:15 – 15:30	Company transformation strategies at business– society nexus with class guest Esko Aho, Executive in Residence, Aalto University	-
6	Thu 18.11 13:15 – 15:30	Excel WS, option 1: 13:15-14:15 (physical, Väre, R102) Excel Workshop, option 2: 14:30-15: 30 (remote option) Group work consultations, option 2 (remote option) Group work consultations, option 3 (physical option)	Check above, book time in MyCourses
7	Tue 23.11.	Net impact of companies and tensions in GVCs	TBC
8	Thu 25.11. 13:15 – 15:00	Why is transparency in clothing and parallel sector a big issue and what to do about it? with class guest Nina Elomaa, Senior Vice President Sustainability, S Group	Pre-assignment TBC
9	Tue 30.11. 13:15 – 15:00	How do you succeed in driving change within an industry and a company? with class guest Salla Ahonen, VP Sustainability, Neste Corp.	Pre-assignment TBC
MODULE 3: COURSE CONCLUSION			
10	Thu 2.12. 13:15-15:30	Excursion to Wärtsilä Corp. in Salmisaari, Host: Atte Palomäki, EVP Communications, Brand and Marketing	TBC
11	Tue 7.12. 13:15-15:30	PechaKucha Video Presentations	Dec. 5 at 23:59 in MyCourses

6. SESSION DETAILS

Please check the pre-lecture material and discussion questions through the MyCourses site before each session and submit the optional pre-assignments accordingly.

Below, you can find the details for the first two sessions so that you can start preparing for the first week of the course already now.

SESSION 1: WHY SUSTAINABILITY AND GLOBAL VALUE CHAINS?

This session provides an overview and practicalities of this course, including the group division. During the second part of the session, we start to develop a collective understanding of what are sustainability and GVCs by linking these concepts to the UN Sustainable Development Goals.

Discussion Questions (optional, influences participation grade):

Pick one multinational enterprise (MNE) which you find interesting from the perspective of sustainability in global value chains. Please reflect (in one page):

1. Which MNE did you choose and why?
2. What are your expectations on this course?

Length: Max. 500 words, 1 page

Format: Font size: 12 Times New Roman, 2.0 line spacing, submit as a Word document

Deadline: Sunday October 31 at 23:59/ MyCourses

Pre-lecture material:

1. Will Covid kill globalization? *The Economist*. 30.9.2020.
<https://www.youtube.com/watch?v=KJhlo6DtJlk>
2. World Bank. 2020. *World Development Report 2020: Trading for Development in the Age of Global Value Chains*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1457-0. **Pages 1-8.**

SESSION 2: WHAT ARE SUSTAINABLE GLOBAL VALUE CHAINS?

The goal of this session is to understand what global value chains (GVC) are. We also discuss the ‘smile curve of value creation’ and the links between economic, environmental and social aspects of value chains.

Pre-lecture material:

1. Mudambi, R. (2008). Location, control and innovation in knowledge-intensive industries. *Journal of Economic Geography*, 8(5), 699-725.
2. De Marchi, V., E. Maria, and S. Micelli. 2013. “Environmental Strategies, Upgrading and Competitive Advantage in Global Value Chains.” *Business Strategy and the Environment*, 22 (1): 62–72. doi:10.1002/bse.1738.

Additional material:

3World Investment Report 2020 - International Production Beyond the Pandemic (UNCTAD/WIR/2020):

<https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2769>;Sustainability trends, pages 151-155

Gereffi, G., Humphrey, J., & Sturgeon, T. (2005). The governance of global value chains. *Review of international political economy*, 12(1), 78-104.

Discussion Questions:

1. How can plastics be replaced? What shortcomings are associated with replacing plastics?

Length: Max. 500 words, 1 page

Format: Font size: 12 Times New Roman, 2.0 line spacing, submit as a Word document

Deadline: Wednesday November 3 at 23:59/ MyCourses

Lectures 3–10, please check MyCourses Sessions sections.

7. STANDARD ASSIGNMENT FORMATTING

General principles for Word files: Double-Spaced text, Times New Roman 12pt font, 2.54cm margin. For references, please follow the guidelines of the Journal of International Business Studies: <https://static.springer.com/sgw/documents/1560273/application/pdf/JIBS+style+guide.pdf>.

8. ETHICAL RULES

Aalto University Code of Academic Integrity and Handling Thereof:

<https://into.aalto.fi/display/ensaannot/Aalto+University+Code+of+Academic+Integrity+and+Handling+Violations+Thereof>