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 4-7, 2015
Room: 822
Local partner: FGV

Emerging economies now represent over 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 presentations by guest speakers and 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 19. The paper itself is due on February 18. 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, or a diary of 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. Website: https://opimweb.wharton.upenn.edu/profile/1686/

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. 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 serves on the World Economic Forum’s Global Agenda Council on Emerging Multinationals. His personal website is at: http://www-management.wharton.upenn.edu/guillen/

TAs
Ashley Archibald asharc@wharton.upenn.edu
Joao Baena Soares jbaen@wharton.upenn.edu
SCHEDULE OF CLASSES & VISITS

Sunday, January 4

1:30 PM - 5PM, Visit to Santa Marta favela.
Please meet promptly at 1:30, the bus leaves at 2PM sharply.
Meeting location: FGV, Praia de Botafogo.

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

Monday, January 5

9:00-9:30
Introduction to the Course
Guillen & Lobel

9:30-10:30
BNDES and the Brazilian Economy
Guest speaker: Gaspar Giacomini, BNDES

10:30-10:45 Break

10:45-12:15
The Brazilian Energy Sector
Guest Speaker: Luiz Augusto Barroso, PSR

12:15-1:30 Lunch

1:30 Board bus to Petrobras

2:00-3:30
Guest Speaker: Carlos Henrique Dumortout Castro, Petrobras

3:30 Board bus to FGV

4:00-5:30
Debrief of the Favela Tour
Guest Speaker: Márcio Comerauer, Chief of Staff of the Department of Planning and Management of the State of Rio de Janeiro
Tuesday, January 6

9:00-10:30
The Brazilian Economy
Guillen
EIU, Brazil (2013).
Doing Business 2014: Brazil.

10:30-12:00
World Cup 2014: The Experience and the Impact
Chico Mussnich, FIFA Local Organizing Committee

12:00-1:30 Lunch

1:30-3:00
Ethanol in Brazil
Lobel
Readings:
“Cosan: Thinking outside the barrel.” HBS 710017-PDF-ENG

3:00-3:15 Break

3:15-5:00
Investing in Energy and Infrastructure
Marcelo Muller, AEM Capital
Wednesday, January 7

9:30-10:30
Wind Energy in Brazil
Lobel
Readings:

10:30-11:15
Brazilian Multinationals
Guillen
Readings:

11:15-12:00
Brazil as a Global Power
Guillen
Readings:

12:00-1:30 Lunch

1:30-3:00
Infrastructure in Brazil
Guillen


3:00-3:15 Break

3:15-4:45
The Real Estate Sector in Brazil
Ghilherme Goldberg, Vinci Partners

5:00-6:00
Rio 2016
Leonardo Gryner, Brazilian Olympic Committee
Background readings:
BMI, Brazil Tourism Report (2014).
Economic Impacts of Olympic Games (2009).

6:00-6:15
Concluding remarks