



# GW-CIBER EXECUTIVE SUMMARY

## FOCAL AREA DESCRIPTIONS & ACTIVITIES

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The mission of the George Washington University Center for International Business Education and Research (GW-CIBER) is to build capacity for international understanding and competitiveness abroad by pursuing a comprehensive set of interdisciplinary research, education, and outreach initiatives. These initiatives will enhance our stakeholders' ability to navigate the international business (IB) environment while promoting foreign language instruction relevant for the business world, and serving as a resource to students, faculty members, and the business and policy communities on subjects of national and global importance.

Recognizing the shifting economic landscape in the U.S. and abroad, the conflicting attitudes toward globalization both within and across countries, and the changing needs of CIBER's stakeholders (students, faculty, business, and policy professionals), in the 2022-2026 grant cycle, the GW-CIBER offers an ambitious agenda of activities to address these new realities. It is built around the theme, **Institutions, Resilient Globalization, and Sustainable Competitiveness** and leverages GW's faculty expertise from across the university, its access to international entities in DC (e.g., national/foreign governments, NGOs, multilateral organizations, and think tanks) and its potential to reach neighboring regions which could benefit from new and expanded IB programming. The theme also reflects the new reality brought about by the COVID-19 pandemic that intensified a pre-existing backlash against globalization and openness, while addressing the evolving needs of current and future professionals.

GW-CIBER's programming centers on institutions as key players in fostering a resilient international trade system and in stimulating economic development while balancing the quest for increased productivity with non-economic outcomes such as healthier and more resilient individuals, societies, and planet. **Institutions** are defined as "the rules of the game in a society or, more formally, the humanly devised constraints that shape human interaction."<sup>1</sup> Institutions have a pronounced impact on the behaviors of individuals, the strategies and performance of firms, and the capabilities and competitiveness of countries. Institutions can be informal, such as customs, norms, and behavioral patterns, or formal, such as laws and regulations – and both have a significant impact on the strategic choices of individuals and organizations.

The strength of countries' policies and regulations, norms and laws, education and financial systems, and other infrastructure can either hinder or promote innovation, labor market vibrancy, entrepreneurship, and economic growth. The COVID-19 pandemic provided examples of how institutions can impact individual countries' and the world's abilities to cope with an external shock. Formal institutions, such as multilateral organizations and national governments, led the efforts on reining in the pandemic and its impacts by providing directives and scientific advice, emergency lending and debt relief, imposing lockdowns and mask mandates, and rolling out vaccine programs. Governments have spent an estimated \$17 trillion on the

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<sup>1</sup> *Institutions, Institutional Change, and Economic Performance*, North, D. 1990., Cambridge University Press

pandemic on stimulus schemes, loans, and guarantees, for a total of 16% of global GDP<sup>2</sup>. Informal institutions shaped and continue to shape the pandemic outcome through populations' attitudes towards the curtailing measures, including vaccines. In the post-pandemic recovery and beyond, institutions will play a crucial role in tackling the globalization backlash by strengthening multilateralism, deepening interconnectedness, promoting innovation, and addressing the environmental urgency, polarization, and inequality, making globalization more resilient.

The call for **resilient globalization** is not new (a previous alarm was sounded after the 2008 global financial crises that focused on the resilience of the global financial system), but the pandemic and its aftereffects have renewed the demand for resiliency in the interconnected global economy. Supply chain shocks, shortages, strained logistical systems, rising costs of energy, and rising poverty have reignited the debate about the future of globalization, while protectionist attitudes and trade tensions have intensified. The pandemic has again revealed the fault lines within our global system, but globalization is here to stay. The focus now must be on making it more equitable and robust by creating resilient value chains that account for uncertainties and can better withstand shocks. Future globalization must be able to handle the climate crises, promote better global governance, and tackle economic and social inequalities.

The pandemic also revealed the slow progress of countries in building **sustainable competitiveness**, defined as "the set of institutions, policies, and factors that make a nation productive over the longer term while ensuring social and environmental sustainability"<sup>3</sup>. If a country's competitiveness reflects the skills and productivity of its institutions, organizations, and individuals, then sustainable competitiveness goes beyond that definition by (i) accounting for efficient management of resources to ensure their availability to future generations and (ii) including all members of society in the economic prosperity of their nation by guaranteeing them equal access to health, security, and potential-maximizing opportunities.

The theme of **Institutions, Resilient Globalization, and Sustainable Competitiveness** provides unity for GW-CIBER's programming, addressed through five overlapping focal areas reflecting the theme's complexity, as well as GW faculty's expertise and research interests. The focal areas will be led by faculty members in the business school and in allied departments such as economics, political science, international affairs, and public administration.

## FOCAL AREA 1: GOVERNING GLOBALIZATION: DISRUPTIONS AND DYNAMISM

The resilience of the global trade, investment, and capital system rests to a great extent on the adaptability of one of its major pillars: global value chains. Traditionally used to describe the international dispersion of production activities, the term "global value chains" has increasingly come to encompass other value-adding tasks and intangible assets beyond those associated with manufacturing production, such as services, innovation, and intellectual property<sup>4</sup>. An embodiment of globalization, global value chains rely on the undeterred cross-border flows of raw materials, goods, services, finance, capital, labor, knowledge and technology. Hence, they are subject to the same attitudes and concerns expressed towards globalization as a

<sup>2</sup> The Triumph of Big Government, *The Economist*, Nov 20-26, 2021

<sup>3</sup> *Global Competitiveness Report 2014-2015*, World Economic Forum

<sup>4</sup> *Global Value Chain Development Report: Beyond Production*, 2021, Asian Development Bank, Research Institute for Global Value Chains at the University of International Business and Economics, the World Trade Organization, the Institute of Developing Economies – Japan External Trade Organization, and the China Development Research Foundation (<https://dx.doi.org/10.22617/TCS210400-2>)

whole and reflected in increased protectionism, economic nationalism, trade and investment disputes, growing bilateral rivalries, inward-oriented geo-politics, and populism. These sentiments, loudly expressed in the wake of the 2008 global financial crisis, have become even louder as a result of the COVID-19 outbreak. The pandemic unsettled the international economy by challenging not only globalization's agility but also its promises of sustainable development.

This focal area will explore current challenges faced by the international trade, investment, and capital system. Today's economic cycle has been characterized by unsteady recovery, natural resource and commodity volatility, supply chain shortages, debt shocks, and bilateral hostilities, but also by increased interest in combining productivity and efficiency with human rights protection, sustainable investments, social safeguards, and crisis resilience. In light of these challenges and opportunities, multilateral organizations and national leaders have increasingly focused on how they can better guide globalization. This focal area will emphasize projects that seek answers to questions about how formal and informal global governance institutions can impact US companies' efforts in remaining competitive in the current environment, and how national economic policies can shape a healthier domestic economy and help foster a sustainable global recovery.

## FOCAL AREA 2: INNOVATION, TECHNOLOGY, AND ENTREPRENEURSHIP

The COVID-19 pandemic shook the global economy by disrupting its operational cycles and networks as we knew them. But the pandemic also demonstrated the important role of innovation, technology, and entrepreneurship in quickly adjusting to new ways of working, learning, communicating, shopping, banking, getting entertainment, receiving healthcare and other personal services, among others. Companies quickly switched their production processes and adopted new technologies to stay in business, stay competitive, and contribute to the fight against the pandemic (e.g., by manufacturing PPE and needed medical equipment). We witnessed governments partnering with established business and startups to create and disseminate learning, co-working, testing, and contact-tracing platforms, and most notably, to quickly develop and roll out effective vaccines. All these developments remind us how technology and innovation can bring about changes and opportunities. Some of the cutting-edge technologies that emerged and that have the potential to boost existing and spur new industries include artificial intelligence and its application to healthcare, transportation, and marketing, quantum computing, technologies addressing climate change (solar geoengineering, vertical farming, decarbonization through direct air capture, electric-powered vehicles), delivery drones, virtual influencers and the metaverse, to name a few. This focal area will aim to answer questions about what drives global companies to innovate in addition to addressing issues such as cross-border knowledge transfer, creating innovation-conducive national and international ecosystems, technology regulation, intellectual property rights protection, and data management.

## FOCAL AREA 3: NATURAL RESOURCE MANAGEMENT, AND ENVIRONMENTAL SUSTAINABILITY

This year the world was presented with the paradox of ambitious emissions-cutting targets recently set by many countries with the reality of increased energy needs pushed by surging consumer demand and shortages that forced governments to revert to fossil fuels they had only recently abandoned. This focal area will tackle questions about the resilience of the energy system, the global challenges posed by climate change, the policies that governments are considering implementing, and the actions of firms in response to

these policies. Topics within this area will include energy security and rising geopolitical risks, energy transition and decarbonization, environmental regulation and global co-operation on climate change, efficient use of fossil fuels and investment in renewable energy, and making cities more resilient and sustainable (cities are estimated to consume 78% of the world's energy, produce more than 60% of greenhouse gas emissions<sup>5</sup>, and are greatly affected by climate change). In the coming years, governments and business will be under increased pressure to show genuine, measurable efforts in meeting their promises about decarbonization. Regional trade blocks and multilateral organizations such as the World Trade Organization (WTO) are also getting involved in environmental protection by linking trade policy and environmental consequences.

## FOCAL AREA 5: ECONOMIC DEVELOPMENT AND STRUCTURAL TRANSFORMATION

Economic development (encompassing issues such as equitable and sustainable economic growth, poverty alleviation and income inequality, financing, institutional upgrading, and increasing living standards), and structural transformation (the changes and shifts across and within the main economic sectors of a country) remain key factors that US stakeholders must consider when operating internationally. Emerging and developing markets are potential trade partners and some are also growing economic powers, but their institutional environments are different from those of the Western developed countries. Additionally, the COVID-19 pandemic has undermined economic and political stability in many of these markets, which previously were viewed as offering a vast consumer base and ample labor resources. The pandemic lockdowns forced millions back into poverty, sabotaging international efforts in lifting living standards, and highlighted some of the unaddressed issues that increasingly need attention, such as mitigating climate change effects, improving healthcare and labor standards, tackling ethnic and gender inequality, making cities (home to over half of the world's population) more sustainable, and fighting corruption, among others. All of these issues make it more urgent for US companies to acquaint themselves with this changing economic environment and the challenges it presents so they can be better equipped to conduct business in these markets.

## FOCAL AREA 5: INTERSECTION OF BUSINESS, THE STATE AND CIVIL SOCIETY

Scholarship on topics at the intersection of business, the state, and civil society brings to light both the socio-cultural and the political dimensions of globalization, which are reflected in countries' diverse sets of informal and formal institutions. On the one hand, firms are embedded in diverse cultural environments that often impose conflicting demands, including pressures arising from customers, employees, social movements, and other civil society actors. On the other, firms must contend with diverse political environments in which state actors display varying levels of economic activism, and national institutions reward and punish varying types of strategic action. The relationships among firms, societal actors, and the state have changed significantly in recent years due not only to changes stemming from the global pandemic, but also due to demographic shifts, calls for measures to address climate change, and growing attention to issues related to social and economic injustices.

As relationships among the three sets of actors evolve, scholars must assess how well current understandings of firm-state-society interactions apply to our post-pandemic reality. How do strategic actions

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<sup>5</sup> <https://www.un.org/en/climatechange/climate-solutions/cities-pollution>

of each type of actor affect key globalization outcomes: inequality and exclusion, cross-border and internal migration challenges, corruption, and climate change? How will the frequency, type, and tenor of interactions among the three sets of actors change in coming years within the US, and what is the implication for the global competitiveness of US firms? How will firm-state-societal relationships change across the globe, and what will be the impact on US firms investing in those markets and competing with firms from those countries?

## FOCAL AREA 6: BUSINESS LANGUAGES

Despite increased awareness of the value of language proficiency for success in IB, numerous challenges prevent the widespread teaching of Business Language (BL) courses in the U.S. The absence of high-quality BL teaching materials and a lack of guidance on effective teaching techniques pose key challenges, particularly in the less commonly taught languages. GW-CIBER's efforts can draw on the unique partnerships of language and business school faculty and the vast set of resources available in DC area. Focus will be on languages of developing countries that increasingly play critical roles in matters of international trade and U.S. security.

### FOCAL AREA ACTIVITIES

Within each of these focal areas, GW-CIBER will offer integrated activities related to education, business training, and research, which will largely be carried out through an annual request-for-proposal (RFP) competition. Specifically, GW-CIBER will support faculty members to develop *innovative course materials*, design *programs to reach out to the professional community*, and undertake rigorous *research projects*. The RFP process will enable GW-CIBER to focus the content of its educational, outreach, and research activities toward specific issues that rise in importance as the global environment changes over the next four years. It will also promote interdisciplinary projects at the frontier of research and practice and draw on faculty from a wide range of departments. These activities can be organized in collaboration with partners to ensure program relevance, broaden the potential audience, and stretch federal dollars. Internal partners could include GW's disciplinary centers and area studies centers and external partners could include trade/business associations, international NGOs, local business or multinational corporations, or government agencies. Types of activities supported through the RFP process include:

- **Scholarly Research Support.** By funding field work, data acquisition, research assistance, faculty time, conference travel, academic workshop organization, and similar expenses, GWCIBER projects will create and disseminate new knowledge within each focal area.
- **Programming for the Business and Policy Communities.** GW-CIBER will support workshops, seminars, the development of policy papers, and other projects that will provide cutting edge insights for practitioner audiences.
- **Course and Materials Development and Dissemination.** GW-CIBER will support materials purchase, site visits, research assistants, and related activities to develop high quality courses and materials. Efforts will focus on adding global context to business courses and introducing business concepts to courses on international affairs, languages, and area studies.