

Economics 198 – Special Topics

The Economics of Strategy

Descriptive Title: The economic underpinning of strategic decision making in today's information-driven business environment.

Course Description and Learning Objectives

This course is designed on the basis of two major premises:

1. That management in today's fast-paced, complex and uncertain world of business requires an understanding of the dynamics of complex systems, and a focus on organizational flexibility as a means for survival; and
2. That the sustained profitability and competitiveness of a business enterprise are best achieved by factoring the interests of *all* stakeholders into the firm's overall strategic agenda.

This course views the business firm as an institution that is mandated by society to create economic value, and to allocate this newly created wealth among the various individuals and institutions that contributed to the wealth-creation process. While the business enterprise in a capitalistic society is established for the purpose of creating wealth for its owners, today's enlightened managers are equally aware that the sustainability of the business can only be achieved by creating value for *all* its other stakeholders – notably its workers, its customers, and the community of which it is a part.

It is now commonplace to view business organizations as complex adaptive systems. In line with this new thinking, this course looks at strategy as a continuous adaptive process rather than as an occasional exercise in rational analysis and deliberate choice. It aims to provide course participants with a broad conceptual framework and a set of practical skills that will enable them to develop and maintain the required organizational flexibility in dealing with today's increasingly complex and unpredictable competitive environment. Drawing mainly on insights from Complexity Theory, the Economics of Information and the New Institutional Economics, the course aims to develop a set of conceptual and practical tools with which course participants can formulate innovative and unique solutions in dealing with the equally unique, ill-defined and ever-changing problems that they will be facing later in their professional lives.



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Dr. Poblador is a retired professor of economics and management. His current interests lie in the dynamics of complex systems and in value creation through the effective management of knowledge. He has taught at the School of Economics as Professorial Lecturer in AY 2009 – 2010, and again in the second semester of AY 2013-2014. Visit him at <http://nspoblador.webs.com/>