

# INTELLIGENCE ANALYST

## MODULE 3

### ECONOMY THREATS IN GLOBAL COMMODITY CHAINS AND GLOBAL PRODUCTION NETWORK



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**ANALYST - A New Advanced Level for Your Specialised Training**

Module title	Economy Threats in Global commodity chains and global production network
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Introduction	<p>This module offers an in-depth exploration of the challenges and dynamics associated with global commodity chains and production networks, with a specific focus on equipping participants from diverse academic backgrounds with essential economic insights. It is particularly designed for private sector professionals, including those without a formal economics background, to help them develop a nuanced understanding of the global economic system and its implications for multinational enterprises.</p> <p>The course emphasizes practical knowledge and analytical skills, empowering students to engage with contemporary economic processes and apply this knowledge in their professional roles. Participants will gain clarity on why companies choose specific locations for their operations, how production processes are fragmented across different regions, and what drives such decisions in an increasingly interconnected world.</p> <p>Key sections of the module include an introduction to economic integration processes and globalization, providing foundational knowledge of global trade systems and the stages of regional and international economic cooperation. The</p>

	<p>module also examines location drivers, offering insights into the factors influencing firms' international strategies, from resource availability to market access and policy incentives.</p> <p>Another critical focus is the fragmentation of production processes, exploring how industries distribute production stages globally and the challenges this presents. Discussions will include the role of international policies, market trends, and the importance of sustainable decision-making in shaping corporate strategies.</p> <p>Through these sections, the module encourages active engagement and critical thinking, promoting interaction with broader program themes, such as the role of analysts in global networks. By completing this module, students will be equipped to contribute to multinational companies with informed solutions and strategies, enhancing their employability and impact in the private sector.</p>
Teaching objectives	<p>This module aims to provide participants with comprehensive knowledge and practical skills to understand and analyze the dynamics of global commodity chains and production networks. Specifically, the teaching objectives include:</p> <p><b>Knowledge Acquisition:</b> Equip students with a foundational understanding of economic integration processes, globalization, and their impact on global commodity chains and production networks. Participants will explore critical topics such as location drivers, production fragmentation, and the implications of global economic strategies.</p> <p><b>Skill Development:</b> Foster analytical skills to evaluate the economic threats and opportunities associated with fragmented production processes. Students will gain the ability to identify vulnerabilities in global supply chains, assess geopolitical and economic risks, and propose sustainable strategies.</p> <p><b>Competency Building:</b> Enable students to apply theoretical knowledge to real-world scenarios, enhancing their ability to contribute effectively to multinational enterprises. They will develop the capacity to critically assess decision-making processes related to corporate location strategies, supply chain management, and sustainable practices.</p> <p><b>Interdisciplinary Integration:</b> Promote the ability to synthesize insights from economics, business, and international relations, fostering a holistic perspective on global production networks.</p>
Expected Measurable Learning Outcomes	<p>At the end of the module, participants are expected to achieve the following measurable learning outcomes:</p> <p><i>Knowledge and Understanding</i></p> <ul style="list-style-type: none"> <li>• Demonstrate a comprehensive understanding of global economic integration processes, including the stages and implications of globalization, and their influence on commodity chains and production networks.</li> <li>• Analyze the factors driving the fragmentation of production processes and evaluate their impact on global supply chain efficiency and resilience.</li> </ul>

	<p><i>Application of Knowledge</i></p> <ul style="list-style-type: none"> <li>• Apply economic theories and frameworks to assess the drivers of corporate location decisions, from resource availability to policy incentives, and propose viable strategies for business optimization.</li> <li>• Evaluate real-world case studies to identify risks and opportunities in global production networks, incorporating sustainable practices into corporate decision-making.</li> </ul> <p><i>Ability to Draw Conclusions</i></p> <ul style="list-style-type: none"> <li>• Critically analyze the interdependencies within global production networks and formulate well-reasoned conclusions on how geopolitical or economic disruptions can affect supply chain stability.</li> <li>• Develop strategic recommendations for businesses to enhance resilience and sustainability in their operations.</li> </ul> <p><i>Communication Ability</i></p> <ul style="list-style-type: none"> <li>• Communicate complex economic concepts effectively through clear, structured arguments, tailored to diverse audiences, including stakeholders in multinational enterprises.</li> <li>• Present findings from case studies and analyses in professional formats, demonstrating the ability to articulate solutions to economic challenges.</li> </ul> <p><i>Learning Capacity</i></p> <ul style="list-style-type: none"> <li>• Exhibit autonomous learning skills by engaging with supplementary materials, external resources, and self-evaluation tests to deepen their understanding of module topics.</li> <li>• Demonstrate adaptability and curiosity, integrating insights from the module into broader professional and academic contexts.</li> </ul>
Teaching methodology	<p>This module is structured to ensure a consistent, engaging, and comprehensive learning experience, leveraging a variety of resources and methodologies to support diverse learning preferences. The course delivery combines recorded lectures, textual materials, slides, and self-assessment tools to provide a balanced approach to theoretical understanding and practical application.</p> <ul style="list-style-type: none"> <li>• <i>Recorded Lessons:</i> The module includes 5 recorded video lessons, each lasting approximately 30 minutes. These concise and focused sessions deliver key concepts and insights, enabling students to learn at their own pace. The videos are designed to introduce and explain complex topics clearly, integrating real-world examples to enhance understanding.</li> <li>• <i>Textual Materials:</i> Participants will be provided with a comprehensive set of written materials, spanning 10-15 pages. These texts serve as a core reference for the module, offering detailed explanations of concepts, frameworks, and case studies discussed during the lessons. The materials are structured to complement the recorded lectures, allowing students to deepen their understanding and explore topics in greater detail.</li> </ul>

- *Slides:* Visual aids in the form of slides are included for each lesson, summarizing key points and concepts. These slides are intended to support the recorded lectures, making it easier for students to follow along and revisit essential information during their review sessions.
- *Self-Evaluation Tests:* To reinforce learning and enable students to gauge their understanding of the module content, self-assessment tools are provided. These tests include multiple-choice questions, scenario-based problems, and reflective prompts designed to encourage critical thinking and application of knowledge.

Additionally, external resources, such as links to articles, case studies, and relevant videos, will be made available to enhance the learning experience. These supplementary materials are carefully curated to provide additional perspectives and real-world applications without compromising the module's core structure.

#### Module contents

#### Module 1: Economic Integration and Globalization

- **Overview of Economic Integration:** Stages of economic integration from free trade areas to economic and monetary unions.
- **Key Integration Mechanisms:** Preferential trade agreements, customs unions, and common markets.
- **Case Study: The European Union:** Evolution from an economic community to a monetary union.
- **Understanding Globalization:** Impact on economic structures, trade liberalization, and market interconnection.
- **Glocalization and Economic Adaptation:** The interplay between global trends and local realities.
- **Challenges and Opportunities:** Wealth disparities, political sovereignty shifts, and transnational institutions.
- **Economic Integration and Sustainability:** Governance, innovation, and inclusive global systems.

#### Module 2: The Fragmentation of Production Processes

- **Concept of Production Fragmentation:** The role of global value chains (GVCs) in economic globalization.
- **Outsourcing and Offshoring:** Strategies for cost reduction and efficiency optimization.
- **Economic Benefits and Risks:** Increased specialization versus vulnerabilities in global supply chains.
- **Supply Chain Disruptions:** The impact of geopolitical crises, pandemics, and natural disasters.
- **Logistical Challenges and Cost Implications:** Coordination complexities and environmental concerns.
- **Impacts on Local Economies:** Dependency risks and limitations on technological innovation.



- **Strategies for Stability:** Economic diversification and international cooperation.

### Module 3: Business Location on a Global Scale

- **Key Factors Influencing Business Location:**
  - **Human Resources:** Skilled workforce and labor costs.
  - **Local Environment:** Political stability, legal framework, and market access.
  - **Infrastructure:** Transportation, communication, and logistics hubs.
  - **Material and Financial Resources:** Availability of raw materials and investment capital.
  - **Process and Output Factors:** Industrial clusters and distribution networks.
- **Regional Business Concentration:**
  - North America and Western Europe: Financial services and technology.
  - East Asia: Manufacturing and technological innovation.
  - Emerging Markets: Latin America and Africa's role in global trade.
- **Digital Globalization and Business Decentralization:** Remote operations and sustainability concerns.

### Module 4: Drivers of Business Location Decisions

- **Market Expansion and Consumer Demand:** Strategic positioning in high-growth regions.
- **Access to Resources:** Relocation due to raw material availability.
- **Technological and Facility Upgrades:** Addressing plant obsolescence and sustainability.
- **Competitive Pressures and Logistical Efficiency:** Reducing costs and improving delivery times.
- **Political and Economic Influences:** Government regulations, incentives, and economic stability.
- **Mergers and Acquisitions:** Restructuring production networks for efficiency.

### Module 5: The Impact of AI, Cybersecurity, Blockchain, and IT on Global Supply Chains

- **Technological Transformation in Supply Chains:** The role of AI, cybersecurity, and IT in modern production.
- **AI and Automation:** Optimizing logistics, risk prediction, and fraud detection.
- **Cybersecurity Challenges:** Risks of cyberattacks, data theft, and industrial espionage.
- **Blockchain for Security and Traceability:** Enhancing transparency and reducing fraud in supply chains.
- **IT in Global Business Operations:** Cloud computing, digital platforms, and process automation.
- **Economic and Security Implications:** The balance between efficiency, sustainability, and digital risks.

- **Best Practices for Technological Resilience:** Investments in cybersecurity, AI-driven logistics, and employee training..