IB 403 – INTERNATIONAL BUSINESS AND NATIONAL POLICIES

Fall 2020

Tuesday and Thursday 10:35-11:50 (Section 3); 108 Sackett Building

Tuesday and Thursday 12:05-1:20 (Section 4); 121 Sparks Building

Professor Terrence Guay Office: 324 Business Building

Smeal College of Business Phone: (814) 865-8490

Pennsylvania State University Email: trguay@psu.edu

Office Hours: On Zoom, by appointment

**IMPORTANT SYLLABUS INFORMATION**

This syllabus is accurate as of August 25, 2020. It is designed for an in-person classroom format. Given possible changes that may impact the fall semester in light of COVID-19, **this syllabus is subject to change.** Changes to schedule, readings, and other aspects of this course will be communicated on Canvas.

**HEALTH AND SAFETY**

This semester will be different than any others we have experienced. It is essential that all of us are committed to proper health and safety procedures if the delivery of this course in the “in-person” instructional mode is to be successful. Consequently:

1) Everybody must wear a face mask to cover the nose and mouth at all times while in this classroom - no exceptions;

2) Seating is only permitted in marked seats to allow for physical distancing;

3) No eating or drinking is allowed, except for water (straws are preferred so as to minimize movement and touching of masks);

4) For everyone’s safety, if you are feeling ill, and especially if you are experiencing COVID-19 symptoms or have been in contact with someone who has symptoms or tests positive, please stay at home. You can access recordings of missed classes on Zoom;

5) Failure to follow these and other relevant [Penn State COVID-19 health and safety guidelines](https://virusinfo.psu.edu/back-to-state) is a conduct violation, and violations will be referred to the Office of Student Conduct.

These guidelines are meant to keep everyone safe and healthy. Adhering to these policies helps everyone get back to the campus life we want to have. I also want to be clear that, while I hope that this course can be taught “in-person” through November 20, **I reserve the right to move this course to “remote” instruction at any time.**

**COURSE OVERVIEW**

This course uses an interdisciplinary approach to explore the dynamics of international business (IB), focusing specifically on how differences among countries shape the relationships between multinational enterprises (MNEs) and national governments. After reviewing IB themes such as political risk analysis and models of business-government relations, we then will study the business environments of the world’s major countries and regions, including Europe, Asia, Latin America, Middle East, and Africa. The course has three objectives. The first is to obtain a basic familiarity with some of the world’s pivotal countries/regions and awareness of contemporary global issues. The second is to develop an understanding of how business environments differ throughout the world, and the political, historical, institutional, economic, geographic, and cultural reasons for these differences. The third objective is to understand how these differences among countries and regions affect MNEs and the decisions their managers make, including ethical considerations about the conduct of international business. While there are no IB prerequisites for this course, students may want to consider taking IB303 prior to IB403.

**GRADING**

Grades for the course will be determined as follows:

Daily Quizzes 100 points Team: Country Risk Paper/Presentation 50 points

Participation 50 points Team: Global Company Paper/Presentation 50 points

Individual Final Paper 50 points

A >278 points

A- 270-278 points C+ 231-239 points

B+ 261-269 points C 210-230 points

B 249-260 points D 180-209 points

B- 240-248 points F <180 points

Quizzes

There will be a short 5-minute quiz at the beginning of every class (except the first week and the first two presentation days) based on assigned readings for that day. There will be 26 scheduled quizzes throughout the semester. Each quiz is worth five (5) points and the sum of the 20 highest scores will determine the final quiz grade. Because the six lowest quiz grades will be dropped, there will be **no make-ups** for missed quizzes due to job interviews, brief illnesses, funerals, and other short-term absences.

Team Projects

Students will be assigned to a team of 4-5 students. Each team will be responsible for two class presentations and written reports (about 10 double-spaced pages plus references). Each paper will count 40 points, and each presentation will count 10 points. The first project is an evaluation of the risk of doing business in a country in Africa, Asia, or Latin America (other than China or India). Papers are due on the day of the presentations, which varies depending on the region chosen (see syllabus schedule). The second project is an evaluation of a multinational company’s global strategy, with an emphasis on what it has done well and/or which country(ies) it is facing significant challenges (similar to the examples in the *Empires of Profit* book that we will read). Presentations and papers will be due December 8 or 10 (see schedule below).

Individual Final Paper

This is a cumulative assignment designed to integrate what you have learned throughout the course. It is due by Monday, December 15. More details will be provided later in the semester.

Attendance

Attendance is expected and will be taken at each class, and seats will be assigned to assist, if necessary, for contact tracing. However, physical attendance will not be used for grading purposes. For everyone’s safety, if you are feeling ill, and especially if you are experiencing COVID-19 symptoms or have been in contact with someone who has symptoms or tests positive, please stay at home and watch the class on Zoom. Video and audio recordings of class lectures will be part of the classroom activity.  The video and audio recording is used for educational use/purposes and may be made available to all students presently enrolled in the class. For purposes where the recordings will be used in future class session/lectures, any type of identifying information will be adequately removed from the videos.

Participation

You are encouraged to participate actively in this course. It is my intention that the course be as discussion‑oriented as possible, with minimal lecturing. It is your responsibility to come to class prepared so that you can ask questions about the material you have read, state your opinions on the subject matter, and engage your colleagues in discussion. Expect to be “cold-called” on a regular basis. Responses that show lack of preparation for class, such as unfamiliarity with assigned readings, will adversely affect participation grades. To underscore the importance of participation, we will begin each class with a discussion on **current events related to IB**. Students will take turns selecting newspaper articles for the class to read and posting the articles in the “Discussions” section on Canvas. While articles may be selected from any news source, some of the best sources include [*BBC*](http://www.bbc.com/news/world/europe/), [*Reuters*](http://www.reuters.com/subjects/euro-zone), and [*France24*](http://www.france24.com/en/europe/). Each student will do this twice during the semester.

In-Class Professionalism

A cell phone is not necessary for success in this course.  Therefore, please remove them from classroom tables and place them where they will not pose a distraction.  Also, please try to avoid leaving the room during class time.  The opening and closing of doors can be disruptive to others.  While I would prefer students come to class late rather than not at all, please try to arrive on time and leave early only if absolutely necessary.  Class discussions may include topics that are controversial in nature. Please be courteous to your colleagues and respect different opinions and points of view. Lack of professionalism in the classroom for any of these reasons will adversely affect participation grades.

**COURSE READINGS**

There is one readings packet available for purchase ($25.40) through the Penn State University Bookstore in the HUB. It is a re-print of the book: Daniel Litvin. (2003) *Empires of Profit: Commerce, Conquest and Corporate Responsibility*, (New York: Texere). If you prefer a real book rather than a course packet, you may purchase it from on-line websites instead.

A collection of four Harvard Business School required cases, noted by (RP) below, is available for [purchase](https://hbsp.harvard.edu/import/752173) ($17.00) at: <https://hbsp.harvard.edu/import/752173>

Other readings are available on Canvas or the library’s electronic reserves. Additional readings may be added as appropriate. Readings should be completed prior to class time on the date indicated.

**COURSE SCHEDULE AND READING ASSIGNMENTS**

Because of the unique circumstances of this semester, and the dynamic nature of the subject matter, readings and schedule dates may change. For the most up-to-date schedule, follow the reading assignments on Canvas.

August 25: No Quiz

# Introduction to the Course

Liz Wolgemuth. (2010) “[What the Resumes of Top CEOs Have in Common](http://money.usnews.com/money/careers/articles/2010/05/21/what-the-rsums-of-top-ceos-have-in-common),” *US News and World Report*, May 21. (Canvas)

August 27: No Quiz

# Overview of IB Terminology and Concepts

No readings scheduled

September 1

# Conceptualizing Risk and Government-Business Relations

Condoleezza Rice and Amy Zegart. (2018) “Managing 21st-Century Political Risk: Today’s Threats are more Complicated, but the Remedies don’t have to be,” *Harvard Business Review*, May-June, pp. 130-138. (Canvas)

Richard Lehne. (2006) “Chapter 2: Creating Government-Business Relations,” in *Government and Business: American Political Economy in Comparative Perspective* (Washington, DC: CQ Press), pp. 26-44. (Canvas)

September 3

# Evaluating Government-Business Relations

I.J. Alexander Dyck. (1997) *Country Analysis: A Framework to Identify and Evaluate the*

*National Business Environment*. (Cambridge, MA: Harvard Business School), pp. 1-10. (RP)

September 8

# Europe: The European Union

Terrence Guay. (2014) “Chapter 8: Promoting Business,” in *The Business Environment of Europe*. (Cambridge, UK: Cambridge University Press), pp. 191-203. (Canvas)

September 10

# Europe: The European Union

Terrence Guay. (2014) “Chapter 8: Promoting Business,” in *The Business Environment of Europe*. (Cambridge, UK: Cambridge University Press), pp. 203-218. (Canvas)

September 15

# Europe: Brexit

Alberto Cavallo. (2020) “Getting Brexit Done,” (Harvard Business School Publishing, Cambridge). (RP)

September 17

# Europe: National Differences

Terrence Guay. (2014) “Chapter 5: Managed Capitalism,” in *The Business Environment of Europe*. (Cambridge, UK: Cambridge University Press), pp. 112-135. (Canvas)

September 22

**Business Environment of China: Introduction and History**

Litvin, Preface

Litvin, pp. 73-111 (Southern Manchuria Railway Company)

September 24

**Explaining the Rise of China**

Richard H.K. Vietor and Haviland Sheldahl-Thomason. 2018. “China: The New Normal,” (Cambridge, MA: Harvard Business School Press), pp. 1-36. (RP)

September 29

**Business Environment of China: Opportunities and Challenges**

Ian Bremmer. (2014) “The New Rules of Globalization,” *Harvard Business Review*, January-February, pp. 103-107. (Canvas)

*The Economist*. (2020) “Special Report: China’s Belt and Road,” February 6. (Canvas)

October 1

# Business Strategies: Aerospace

John Olienyk and Robert J. Carbaugh. 2011. “Boeing and Airbus: Duopoly in Jeopardy?” *Global Economy Journal*, 11 (1), pp. 1-9. (Canvas)

October 6

**Business Environment of India**

Litvin, pp. 3-41 (British East India Company)

October 8

# Business Strategies of India

Reading to be determined

Litvin, pp. 275-296 (Newscorp)

October 13

**Team Country Risk Presentations and Papers: Asia**

October 15

# Business Environment of Latin America: Introduction and History

Litvin, pp. 113-141 (United Fruit Company)

October 20

# Business Environment of Latin America: Opportunities and Challenges

Staudt, Kathleen. 2018. “How NAFTA has Changed Mexico,” *Current History*, February, pp. 43-48. (Canvas)

October 22

# Business Environment of Latin America: Opportunities and Challenges

Silvia Pavoni. 2018. “Latam’s New Trade,” *The Banker*, March, pp. 20-23. (Canvas)

October 27

**Team Country Risk Presentations and Papers: Latin America**

October 29

**Business Environment of Africa: Introduction and History**

Litvin, pp. 43-70 (British South Africa Company) and 145-169 (Union Minière)

November 3

**Business Environment of Africa: Opportunities and Challenges**

*The Economist*. 2016. “Special Report: Business in Africa: The 1.2 Billion Opportunity” April 16, pp. 1-16. (Canvas/Library electronic reserves)

November 5

**Business Environment of Africa: Opportunities and Challenges**

Litvin, pp. 249-273 (Shell)

November 10

**Business Strategies in Africa**

John Quelch and Sunru Yong. 2015. *Ethiopia: An Emerging Market Opportunity?* (Cambridge, MA: Harvard Business School Press), pp. 1-15. (RP)

November 12

**Team Country Risk Presentations and Papers: Africa**

November 17

**Middle East**

Litvin, pp. 169-180 (ENI)

November 19

**Middle East**

Litvin, pp. 180-213 (Aramco)

December 1: Remote class

**International Business in the 21st Century**

Litvin, 297-305 (Conclusion)

December 3: Remote class

**Emerging Market Multinationals**

Jose F.P. Santos and Peter J. Williamson. 2015. “The New Mission for Multinationals,” *MIT Sloan Management Review*, 56 (4), Summer, pp. 45-54. (Canvas)

December 8: Remote class

**Team Global Company Presentations and Papers**

December 10: Remote class

**Team Global Company Presentations and Papers**

December 14

**Individual Papers Due by 5:00 pm**

**Academic Integrity**

At the core of the University are the Penn State Values:  <https://universityethics.psu.edu/penn-state-values> . The Values are our shared ideals about how people should act toward one another, the standards to which we hold ourselves, and those beliefs we find important. While aspirational in nature, the Penn State Values articulate our ethical principles and should guide our actions and decisions as members of the Penn State community, including in this course.

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University’s Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

* Any violation of academic integrity will be investigated and, where warranted, corrective academic and/or disciplinary action will be taken. For every incident where a penalty is assessed, an Academic Integrity Incident Report form must be filed. The form can be found on the Smeal College Honor and Integrity website: <https://www.smeal.psu.edu/integrity>. This form is to be used for undergraduate courses. The report must be signed and dated by both the instructor and the student, and then submitted to Monica Snyder, 202 Business Building.
* **University Policy G-9**

“Once a student has been informed that academic misconduct is suspected, the student may not drop the course during the adjudication process. The Dean of the College (UP) and/or the Chancellor (campuses) or his or her representative is responsible for notifying the Office of the University Registrar when academic misconduct is suspected in a course. Any drop or withdrawal from the course during this time will be reversed. A student who has received an academic sanction as a result of a violation of academic integrity may not drop or withdraw from the course at any time. These drop actions include regular drop, late drop, withdrawal, retroactive late drop and retroactive withdrawal. Any such drop action of the course will be reversed. This drop policy may be superseded in exceptional circumstances (i.e. trauma drop). In these cases, the Office of Student Conduct or the Student Conduct designee will confer with the Dean of the College (UP) or the Chancellor (campuses) or his or her representative to determine if the drop is warranted.

University Policy G-9    <http://undergrad.psu.edu/aappm/G-9-academic-integrity.html>

**Smeal Honor Code:**

*We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.*

**Plagiarism / Copying**

All work you submit for grading or academic credit is designed to reflect your knowledge and skill related to the course subject matter. Therefore, unless otherwise indicated, all work submitted is to be done on an individual basis. This includes but is not limited to all exams, quizzes, homework, papers, written assignments, and presentations.

Plagiarism is claiming work as your own that you have copied from another person, whether that other person knows about it or not. This includes copying from web sites without proper source citation and using homework or papers prepared by current or past students whether working as an individual or working in a group / team.

**Affirmative Action & Sexual Harassment**

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Related inquiries should be directed to the Affirmative Action Office, 328 Boucke Building.

**Students with Disabilities**

Penn State and the Smeal College of Business welcomes students with disabilities to all of its classes, programs and events. Student Disability Resources in Room 116 Boucke Building provides a vast array of services for students with disabilities according to mandates under Title II of the ADA amendments Act of 2008 and Section 504 of the Rehabilitation Act of 1973. For more information or to meet with a service provider from Student Disability Resources, contact them at (814) 863-1807 (V/TTY) or visit their website at: <http://equity.psu.edu/sdr>

In order to receive consideration for reasonable accommodations, you must contact the appropriate disability services office at the campus enrolled, participate in an intake interview, and provide documentation:<http://equity.psu.edu/sdr/applying-for-services>If the documentation supports your request for reasonable accommodations, the Student Disability Resources office will provide you with an accommodation letter. Please share this letter with your instructors and discuss the accommodations with them as early in the course as possible. Adjustments will be made based on the recommendations in the accommodation letter. You must follow this process for every semester that you request accommodations.