

IB 450 – THE BUSINESS ENVIRONMENT OF EUROPE

Spring 2022
Tuesday and Thursday 12:05-1:20
103 Business Building

Professor Terrence Guay
Smeal College of Business
Pennsylvania State University
Email: trguay@psu.edu

Office: 324 Business Building
Phone: (814) 865-8490
Office Hours: On Zoom, by appointment,
at <https://psu.zoom.us/j/95354666049>

IMPORTANT SYLLABUS INFORMATION

This syllabus indicates the likely structure and schedule for IB450 as of January 11, 2022. Given possible changes that may impact the semester in light of COVID-19, **this syllabus is subject to change**. Changes to schedule, readings, assignments, and other aspects of this course will be communicated on Canvas. This course is designed for an in-person classroom format. If the class can no longer meet in-person due to state or university policy, or the instructor's discretion, we will meet on Zoom at normally scheduled times at this link: <https://psu.zoom.us/j/96909845421>

HEALTH AND SAFETY

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, when we meet in-person:

- 1) Everybody must wear a face mask to cover the nose and mouth at all times while in this classroom - no exceptions;
- 2) No eating or drinking is allowed, except for water (straws are preferred so as to minimize movement and touching of masks);
- 3) 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. We can go over missed class material during office hours on Zoom;
- 4) Failure to follow these and other relevant [Penn State COVID-19 health and safety guidelines](#) is a conduct violation, and violations will be referred to the Office of Student Conduct.

These guidelines are meant to keep everyone on campus and in the community 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 the semester, **I reserve the right to move up to seven of our 30 class meetings to “remote” instruction at any time**, as per [university policy](#).

COURSE OVERVIEW

This course provides an overview of the business, economic, and policy environment in Europe at the European Union (EU) and national levels. The course will examine how regional integration, through the EU, has shaped industrial, competition, monetary, and related economic policies, and how Europe's international trade and finance capabilities affect the global economy. The course also will compare business-government-society relations and models of capitalism in individual European countries. While the primary focus of this course will be on these themes, we also will use articles from European news sources as the basis of discussion for a range of current topics related to Europe. The approach taken in this course is a multidisciplinary one, with the assumption that business executives must understand the

political, cultural, institutional, historical, and geographic aspects of Europe if they are to be successful in the business environment of Europe.

GRADING

Grades for the course will be determined as follows:

Quizzes	80 points
Participation	50 points
Exam	40 points
Team Country Analysis Paper/Presentation	40 points
Team or Individual Industry Analysis Paper/Presentation	40 points
Total	250 points

A	>232 points	C+	192-198 points
A-	225-232 points	C	174-191 points
B+	217-224 points	D	150-173 points
B	207-216 points	F	<150 points
B-	199-206 points		

Quizzes

There will be 20 quizzes. The first six quizzes will be on Thursdays. The last 14 quizzes will be almost every class (see schedule below). Each quiz will take place at the beginning of class and last no more than five minutes, so it is critical that everyone arrives to class on time. Each quiz is worth five (5) points and the sum of the 16 highest scores will determine the final quiz grade. Because the four lowest quiz grades will be dropped, there will be **no make-ups** for missed quizzes due to arriving late to class, job interviews, brief illnesses, funerals, and other short-term absences.

Attendance and Participation

Attendance is expected and required. However, attendance by itself is insufficient to earn a high grade for “attendance and participation.” Students 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 in Europe. 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](#), [Reuters](#), [The Financial Times](#), [The Economist](#), [Deutsche Welle](#), and [France24](#). Each student will do this twice during the semester.

Country Risk Analysis Paper/Presentation: Students will be placed in one of seven teams. Each team is to write a paper (30 points) and make a class presentation (10 points) on a European country other than France, Germany, Ireland, Italy, and the United Kingdom focusing on what you perceive as the major business risks for a company considering doing business in that country. Papers should be about 10 pages in length. Papers will be graded on the ability to: 1) apply course material, including readings and class discussions, to “real world” situations; 2) display evidence of research skills, including the use of and proper citation of reputable sources;

and 3) present a persuasive writing style, including proper grammar, spelling, punctuation, etc. Please include the Smeal honor code on the team paper.

Industry Analysis Paper/Presentation: Students may form their own team (maximum of five students per team) or do this assignment individually. Write a paper (30 points) and make a class presentation (10 points) on a European industry. Individual papers should be about five pages in length. Papers should be 2-3 pages longer for each additional team member (up to about 15 pages for a five-member team). The analysis should include an overview of the industry structure, but the focus should be on the opportunities and challenges facing this industry over the next 10-20 years. Papers will be graded on the ability to: 1) apply course material, including readings and class discussions, to “real world” situations; 2) display evidence of research skills, including the use of and proper citation of reputable sources; and 3) present a persuasive writing style, including proper grammar, spelling, punctuation, etc. Please include the Smeal honor code on the paper.

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. If there is a legitimate need to arrive to class late or leave early, please notify me in advance. 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.

BOOKS AND OTHER READINGS

Terrence Guay. (2014) *The Business Environment of Europe: Firms, Governments, and Institutions* (Cambridge, UK: Cambridge University Press)

The book is available for purchase through the Penn State University Bookstore, on-line retailers, and other locations.

The readings below are indicative only and subject to change. Please complete the readings posted on Canvas for any given class day. European Union documents can be accessed directly from the EU's website (<http://europa.eu/>). We will discuss current events in most class sessions, and student articles will be available on Canvas. Additional readings may be included as the need arises or current events play out.

COURSE SCHEDULE AND READING ASSIGNMENTS

Because of the health-related 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.

January 11

Course Overview

January 13: Quiz #1

Introduction to Europe

Guay, Ch. 1

January 18

Rebuilding Europe and Building an Organization: 1945-1980s

Guay, Ch. 2, pp. 19-30

January 20: Quiz #2

Europe in Transition: 1990s-Present

Guay, Ch. 2, pp. 30-38

January 25

The Institutions of the European Union: Commission, Council, Parliament and Court of Justice

Guay, Ch. 2, pp. 38-50

The current [European Commission](#): (Canvas)

January 27: Quiz #3

Explaining European Integration and Lobbying

Guay, Ch. 3

Jonathan Taplin. (2017) "[Why Europe got Tough on Google but the U.S. couldn't](#)," *Washington Post*, June 28. (Canvas)

February 1

Promoting Business: Single Market and Competition Policy

Guay, Ch. 8, pp. 191-203

February 3: Quiz #4

Promoting Business: Economic and Monetary Union

Thomas Philippon. (2019) "[The U.S. only Pretends to have Free Markets](#)," *The Atlantic*, October 29.

February 8

Promoting Business: Economic and Monetary Union

Guay, Ch. 8, pp. 203-218

February 10: Quiz #5

Social Capitalist Europe

David Leonhardt and Yaryna Serkez. (2020) "[The U.S. is Lagging Behind many Rich Countries. These Charts Show Why](#)," *New York Times*, 2 July.

Paul Hannon. (2020) "[Europe Avoids Jobless Surge as Furlough Schemes Cushion Economic Decline](#)," *Wall Street Journal*, 2 July.

February 15

Health Care in Europe

Steven Hill. (2010) "Ch. 8: La Santé d'abord: The Formal Health Care System," in *Europe's Promise: Why the European Way is the Best Hope in an Insecure Age*, (Berkeley, CA: University of California Press), pp. 136-154.

February 17: Quiz #6

Social Capitalist Europe

Steven Hill. (2010) “Ch. 15: Sticky Glue, Social Contracts, and Fulcrum Institutions,” in *Europe’s Promise: Why the European Way is the Best Hope in an Insecure Age*, (Berkeley, CA: University of California Press), pp. 277-298.

February 22

Exam

February 24

Team Project Workshop

March 1: Quiz #7

National Perspectives – Market Capitalism Models

Guay. Ch. 4

March 3: Quiz #8

National Perspectives – Market Capitalism Models

Kimberly Amadeo. (2021) “[What was Brexit, and How did it Impact the UK, EU, and US?](#)” *The Balance*, March 12.

March 15: Quiz #9

National Perspectives – Managed Capitalism Models

Guay. Ch. 5

March 17: Quiz #10

National Perspectives – State Capitalism Models

Guay. Ch. 6

March 22: Quiz #11

Eastern Europe Business Environment

Guay, Ch. 7

March 24: Quiz #12

Country Analysis

Papers due; class presentations

March 29: Quiz #13

Country Analysis and Catch-Up

Papers due; class presentations

March 31: Quiz #14

Regulating Business

Guay, Ch. 9

April 5: Quiz #15

Environmental Policies

Reading to be determined

April 7: Quiz #16
Europe and the World
 Guay, Ch. 10

April 12: Quiz #17
Europe and the World
 Thomas Wright. (2020) "[Europe Changes its Mind on China](#)," *Brookings*, July.
 Elmar Hellendoorn. (2020) "[Made in China: A Problem for Europe](#)," *Atlantic Council*, July 15.

April 14: Quiz #18
Present and Future Challenges
 Guay, Ch. 12

April 19: Quiz #19
Europe in the 21st Century
 Mark Leonard and Hans Kundnani. 2013. "Think Again: European Decline," *Foreign Policy*, May/June, pp. 46-50. (Canvas)

April 21: Quiz #20
Company Case Studies
 Guay, Ch. 11

April 26
Industry Analysis
 Class presentations

April 28
Industry Analysis
 Class presentations

May 2
Industry Analysis 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.

EDUCATIONAL EQUITY/REPORT BIAS

Consistent with University Policy AD29, students who believe they have experienced or observed a hate crime, an act of intolerance, discrimination, or harassment that occurs at Penn State are urged to report these incidents as outlined on the [University's Report Bias webpage \(http://equity.psu.edu/reportbias/\)](http://equity.psu.edu/reportbias/)

COUNSELING AND PSYCHOLOGICAL SERVICES STATEMENT

Many students at Penn State face personal challenges or have psychological needs that may interfere with their academic progress, social development, or emotional wellbeing. The university offers a variety of confidential services to help you through difficult times, including individual and group counseling, crisis intervention, consultations, online chats, and mental health screenings. These services are provided by staff who welcome all students and embrace a philosophy respectful of clients' cultural and religious backgrounds, and sensitive to differences in race, ability, gender identity and sexual orientation.

[Counseling and Psychological Services at University Park \(CAPS\)](http://studentaffairs.psu.edu/counseling/)

(<http://studentaffairs.psu.edu/counseling/>): 814-863-0395

Counseling and Psychological Services at [Commonwealth Campuses](https://senate.psu.edu/faculty/counseling-services-at-commonwealth-campuses/)

(<https://senate.psu.edu/faculty/counseling-services-at-commonwealth-campuses/>)

Penn State Crisis Line (24 hours/7 days/week): 877-229-6400

Crisis Text Line (24 hours/7 days/week): Text LIONS to 741741

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.

PENN STATE HOTLINE

Students can report issues and/or ask questions via phone at 1-800-560-1637 or online at: <https://universityethics.psu.edu/penn-state-hotline>