GLOBAL BUSINESS and POLICY—21874-ITRN 752-001

Course Credits: 3
Spring 2019
January 22, 2019-May 15, 2019

Days/Time: Tuesdays 7:20pm-10:00 pm
Classroom: Founders Hall 479

Instructor: Jeffrey H. Joseph
Office Hours: On Request
Email: jjosep11@gmu.edu/Phone: 202-251-7791

COURSE DESCRIPTION
This course focuses on the multinational firm (MNE) as the unit of analysis. We will examine the global activities of large as well as small and medium sized (SME) firms. Our purpose is to gain an in-depth understanding of how large firms ‘strategize’ across national borders and address the challenges posed by different governance structures, political economies, institutions and cultures. Students will learn important theoretical concepts and apply them to ‘real’ world business situations. The objective is to have an enhanced understanding of what determines the international success and failure of global firms.

COURSE MATERIALS
Text: “Global Business”, Mike W. Peng, 3rd Edition, Cengage Learning 2013. The decision to use this previous edition is intentional— it sells for less than the recent 4th Edition. The text is available from multiple sources in various formats, for purchase as new or used, and also as a rental. (See Amazon).

Additional Readings are noted on the weekly schedule. Students can access Harvard Business Review articles through a Course Pack available at: https://hbsp.harvard.edu/import/584130

COURSE LEARNING OBJECTIVES
Knowledge and Understanding

- To be able to assess the interaction between policy and business and understand MNE-government relations in a globalized economy.
- To effectively explain key ideas, concepts, events, and developments shaping the global business climate and strategies from an applied perspective.
- To discuss how markets, firms and governments interact in the context of different national or regional environments and cultures.
Analytical Skills and Abilities

- To critically analyze the role of governments in developing and implementing policy and the effect of those on the activities of large and small global firms in economic change and development.
- To access research findings and apply them to support or refute arguments concerning a case or issue regarding firm behavior in the given context.

Professional Development

- To effectively communicate ideas and analysis verbally and in writing.
- To successfully deliver a professional presentation using relevant technologies.

TEACHING AND LEARNING METHODS

Students prepare every week to discuss reading assignments. Therefore, you must be prepared with the readings. During the semester you will be picked to summarize or critique an assigned article or case. Failure to contribute adequately in such cases will lead to a loss of participation points.

ASSIGNMENT DETAILS

Students will be assigned to groups in the first week of class. During the semester, small student groups will be responsible for leading class discussion on assigned Harvard Business Review Cases (HBR).

1) **HBR presentations and other cases will be presented in class using online materials prepared by the group.** Each HBR case/case study discussion should be summarized on no more than 8 PowerPoint slides, including the title slide. The slides should not repeat case details but inly include the analysis and results of the analysis of the case. Emphasis should be made on presenting a creative and logical analysis, with results displayed in tabular or chart form. Depth and quality matter most. Presenters will be required to defend their work from critique by the class.

2) **At the end of the semester, groups will be responsible for making a major presentation that will represent a substantial portion of the total class grade.** Teams of students will analyze the global business environment of a specific country.

**Countries to be studied will be chosen from:**

- China; India; South Korea; Japan;
- Germany; Great Britain; Mexico,
- South Africa; Egypt, Turkey
Project presentations should include an analysis of the following:
   - Political Environment
   - Institutional/Cultural/Economic Differences Compared to the US
   - Ethical and Environmental Issues
   - Commonly Used Entry Modes
   - Examples of Foreign Companies Successfully Entered the Country
   - Examples of Successful Local Companies

Practical Advice (currency, weather, culture, manners, etc.)

3) There will be a Final Exam covering all course materials at the end of the semester.

GRADING AND PERFORMANCE

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The faculty of George Mason’s Schar School of Policy and Government takes plagiarism seriously and has adopted a zero tolerance policy. Any plagiarized assignments will receive an automatic grade of “F”. This may lead to failure for the course, resulting in dismissal from the University. This dismissal will be noticed on the student’s transcript. For foreign students who are on a university-sponsored visa (e.g. F-1, J-1, or J-2) dismissal also results in the revocation of their visa.

To help enforce this policy on plagiarism, all written work submitted in partial fulfillment of course or degree requirements must be available in electronic form so that it can be compared with electronic databases, as well as submitted to commercial services to which the School subscribes. Faculty may at any time submit a student’s work without prior permission from the student. Individual instructors may require that written work be submitted in electronic as well as printed form. This policy on plagiarism is supplementary to the George Mason University’s Honor Code; it is not intended to replace it or substitute for it.
Some Resources:

Avoiding Plagiarism:  
[http://writingcenter.gmu.edu/resources/plagiarism.html](http://writingcenter.gmu.edu/resources/plagiarism.html)

Turnitin@Mason  
[http://www.irc.gmu.edu/turnitin/resources.html](http://www.irc.gmu.edu/turnitin/resources.html)

CLASS SCHEDULE

**Session 1—January 22, 2019**  
*Introductions, Syllabus Overview, Groups*  
**Topic—What Is Global Business?**  
General Discussion: Global Business & Globalization at a Crossroads  
**Readings: Chapter 1-Globalizing Business**  
Case: Harvard Business Review-The End of Corporate Imperialism

**Session 2—January 29, 2019**  
**Topic—Understanding Formal Institutions**  
General Discussion: Political, Legal and Economic Systems  
* Political—Discussion of growing political unrest driven by open borders, free trade and terrorism;  
* Legal—Common Law; Civil Law; Contract Law; Property Rights; Foreign Corrupt Practices Act; Protection of Intellectual Property; Product Safety & Liability;  
* Economic—Re-thinking Traditional; Command; Market; Mixed Economies  
**Readings: Chapter 2**  
Case: Harvard Business Review—Google in China

**Session 3—February 5, 2019**  
**Topic—Informal Institutions**  
General Discussion: Cultures, Ethics and Norms; Attitudes towards immigration; effect on Brexit/EU  
**Readings: Chapter 3; Integrative Case 1.2**  
Chiquita Banana Case in Chapter 3  
Party In Saudi Arabia Case in Chapter 3

**Session 4—February 12, 2019**  
**Topic: Investing Abroad Directly**  
Discussion: Foreign Direct Investment in the World Economy  
Trends, Direction, Sources, Methods in FDI—Exporting & Licensing  
Politics & FDI; Costs & Benefits of FDI; Host Country Issues  
**Readings: Chapter 6; Integrative Case 1.1**  
Case: Harvard Business Review-Fiat-Chrysler Alliance
Session 5—February 19, 2019
Topic: Ethics, Corporate Social Responsibility and Sustainability
Discussion: Ethical Issues, Human Rights, Environmental Practices
Corporate Social Responsibility; Organizational Culture; Leadership Sustainability
Readings: Chapter 17; Integrative Case 4.4
   Case: Harvard Business Review-Siemens Energy 2010

Session 6–February 26, 2019
Topic: MNC Governance and Corruption
Discussion: Walmart in Mexico and Deutsche Bank Global Banking
Readings: Chapter 16; Integrative Case 1.3
   Case: Harvard Business Review-Who’s Responsible for the Walmart Mexico Scandal?
   Case: Harvard Law School Executive Education; Milbank Associates Program—Foreign Corrupt Practices Act using Walmart’s operations in Mexico as a case study (Professor Matthew C Stephenson, Harvard Law School)
   Selected Readings on Deutsche Bank-NY Times, Wall Street Journal, New Yorker, etc.

Session 7 –March 5, 2019
Topic: Protecting Jobs, Consumers and National Security
Discussion: When Governments Intervene in Global Business-Mergers/Antitrust/CIFIUS
   Special Case: Trump Administration’s America First Efforts
Readings: Case: HBR: What We Can Learn from Merger Deals That Never Happen
   Case: Harvard Bus. Law Review; Why Are Foreign Investments in Domestic Energy Under CIFIUS Scrutiny?
   Reading: Google Faces New Round of Antitrust Charges in Europe, New York Times
   Reading: EU Antitrust Case Against Google: How Technology Became A Battleground
   Reading: A Transcontinental Culture War Could Cost Google Billions, The Atlantic, April 15, 2015
   Current articles re: latest Trump Administration efforts to impose tougher regulations on foreign investments etc.

---------------------------SPRING BREAK—March 11, 2019-March 17, 2019---------------------------

Session 8—March 19, 2019
Topic: Multinational Activities & Practices
Discussion: Multinational Strategies & Structures—Alliances & Acquisitions; Worldwide Learning, Innovation & Knowledge Management; Managing Human Relations Globally
Readings: Chapters 12, 13 and 15
   Integrative Cases 3.5, 3.6 & 4.5
Session 9—March 26, 2019  
Topic: International Tax Issues—Part I  
Discussion: International Tax is changing. Policies change, taxpayers modify their behavior. Governments usually limit taxation in some manner territorially or provide offsets relating to extraterritorial income. Countries sign tax treaties to eliminate/reduce double taxation, some with different rules for corporations versus individuals. The US recently changed its “worldwide tax system” in 2018—previously MNCs were taxed 35% no matter where profits came from—resulting in companies not repatriating earnings; incorporating abroad, etc. The US now—like the rest of the trading world—has a territorial system. How is it working so far?  
Readings:  
Current articles to be assigned  

Session 10- April 2, 2019  
Topic: International Tax Issues –Part II  
Discussion: Focus on Apple; Ireland has used low tax rates/special tax situations to attract multinationals to their country. This results lower sovereign Irish state revenues that can be shared with the EU.  
EU officials—after studying a US Senate probe into Apple’s taxes- have pushed Ireland to change its tax policy for MNCs. EU has been using both tax and competition policy for changes.  
Readings: Apple, Ireland and the EU—selected readings;  
Current articles to be assigned  

Session 11—April 9, 2019  
Topic: The Strategy of International Business & Entering Foreign Markets & Exporting, Importing & Countertrade  
Discussion: Strategy Issues: Where to Enter? When to Enter? How to Enter? Value Creation; Strategic Positioning; Value Chain, etc.  
Readings: Chapters 9 and 10; Integrative Cases 3.1 and 3.2  
Case: Harvard Business Review-The Global Rise of Female Entrepreneurs  
Case: Harvard Business Review: A Dark Horse In The Global Smartphone Market: Huawei’s Smartphone Strategy  

Session 12—April 16, 2019  
Class Projects/ Presentations--Team Meetings/Workshops  

Session 13—April 23, 2019  
Class Projects/Presentations  

Session 14—April 30, 2019  
Class Projects/Presentations--Continued  

Final Exam Period—May 8, 2019-May 15, 2019