

TEXAS A&M UNIVERSITY
MGMT667/IBUS667/BUSH629: MULTINATIONAL ENTERPRISES

SPRING 2008 COURSE OUTLINE AND SYLLABUS (ALL READINGS)

Instructor: Lorraine Eden, Professor of Management	Class Time: Wednesdays 1:20-3:50 p.m.
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Office Hours: Tuesdays 2:00-5:00 pm (for all students) and Wednesdays 4:10-5:30 pm (primarily for non-Wehner students). Other times by appointment (email leden@tamu.edu).	
Prof. Eden's Web Page: http://www.voxprof.com	
Webportal: https://maysportal.tamu.edu/login/index.php (#1528)	Password:

COURSE OUTLINE

This graduate seminar provides a broad survey of multinational enterprises and foreign direct investment. The course draws from a variety of disciplines including business, economics, management, political economy and public policy.

COURSE OBJECTIVES AND LEARNING OUTCOMES

The objective of this course is to provide graduate students with an overview of the scholarly literature on multinational enterprises (MNEs), including both classic and current materials. The intention is to go broad rather than deep; that is, to provide a broad survey of the field rather than a deep discussion of a few selected topics. By the end of the course, students should have (1) an overall knowledge of the field; (2) a practical "tool bag" of constructs and approaches (e.g., transaction cost economics, OLI paradigm, global-local matrix, economic welfare analysis, options theory, political risk analysis, MNE-state bargaining theory) for understanding MNE strategies, effects and interactions with other organizations; and (3) a road map to guide their further studies.

WHO SHOULD TAKE THIS COURSE

This course is designed for graduate students at Texas A&M University who are interested in studying multinational enterprises (for example, why they exist and are successful organizations, their patterns of expansion and growth, alliances and networks, MNE-subsidiary relations) and their relations with other actors in the global economy (for example, governments, international organizations and non-governmental organizations). The course should be particularly attractive to four groups: (1) PhD students in the Mays Business School, (2) MBA students, (3) Masters in International Affairs (MPIA) students in the International Economics and Development track in the Bush School, and (4) Masters in Economics students. The course is open to other graduate students as room permits.

PREREQUISITES

Students must be registered as a graduate student at Texas A&M University, and should have some background in economics (especially microeconomics) since most reading materials assume a basic knowledge of economic theory. Some knowledge of strategic management is helpful, but not necessary.

METHOD OF INSTRUCTION

We will make extensive use of the class webportal: <https://maysportal.tamu.edu>. The webportal is password protected; you must email me at leden@tamu.edu for password access. Please write the password on the top page of your Syllabus. The portal will be the primary method by which I contact you, and I request you do the same for reaching me. For example, all required readings will be available from the portal; students will use the portal for posting their assignments; and an FAQ page will be used for answering student questions related to the course.

FYI, I find Firefox (<http://www.firefox.com>) is often a much faster web browser for use with the Mays Portal than is either Netscape or Internet Explorer.

There is no required textbook for this course. The syllabus includes both required and additional recommended readings. The required readings will be downloadable from the password-protected course webportal. Students are responsible for their own printing costs. All the readings listed as “required” for each week must be read prior to the class. Please read the articles in chronological order (oldest first). I recommend reading the articles once through relatively quickly, and then going back and reading them more slowly, underlining critical parts and noting questions/comments in the margin of the text.

The “additional recommended” readings are designed for PhD students who intend to take International Business as a major or minor field on their PhD comprehensive exams. The readings are also a useful starting place for student term paper topics. These readings will not be discussed in class and are not posted on the course webportal.

You will note that several of the readings are marked “JIBS Decade Award”. Each year, the Journal of International Business Studies selects one article as the best article published 10 years previously in the journal. We are reading almost all of these Decade Award winners. In addition, on the JIBS website (<http://www.jibs.net>) you can find a list of the Top 20 Most Highly Cited JIBS articles; we are reading almost all of these articles also.

We will also have a class account on WRDS (Wharton Data Research Services). Information on accessing the class account will be provided to you. This account will be used for the MNE Executive Interview assignment. You may also use it for other school-related assignments; however, WRDS access cannot be used for consulting or other non-school related activities. Please do not share your account information with anyone else as access to WRDS is strictly limited. Your WRDS access will expire on May 16, 2008.

The WRDS website portal is <http://wrds.wharton.upenn.edu>.

Login: _____ Password: _____

Students are expected to come to class fully prepared to participate in class discussions. Each class will have a short introductory lecture by the instructor, presenting an overview of the historical development of each topic. This introduction will be followed by class discussions designed to critically evaluate the readings; these discussions build on the weekly Discussion Questions prepared by the students. When case studies are included in the reading materials, class time will be set aside for small-group and class discussions and presentations of these cases. The instructor will moderate these discussions.

HOW TO PREPARE FOR CLASS

1. How to Handle the Readings. Each week typically includes about 100-120 pages of readings. I recommend that you prepare each week's readings as follows.

- Download the readings from the web portal and print one copy for your personal use.
- All readings are listed in the order in which I recommend they be read. For most but not all weeks, this is chronological order (oldest first).
- Quickly read through the week's readings -- at one sitting -- to get an overview of the topic.
- Next, read each article slowly, one or two articles each day, where you underline key sections, and write brief notes in the margins, of the printed copy. (For example, carry an article around with you in your backpack and, when you have a few minutes, read it.)
- The night before class, read quickly through the complete set of readings again.
- Bring the printed copies with you to class. (Laptops are not permissible in class as I find them too distracting.)

2. How to Analyze an Article. When you read an article or book chapter, look for and think about the following items. I recommend you flag/highlight these in the text of the article and jot notes about them in the paper's margins.

- MOTIVATION: The key issue that motivated the paper (why the author(s) wrote the paper)
- RQ: the research question or questions being addressed
- APPROACH: the theoretical approach or approaches lying behind the paper
- ARGUMENT: the core argument(s)
- HYPOTHESES: the hypotheses or propositions (if any)
- METHODS: types of empirical methods used (if any), e.g., case studies, regression analysis.
- RESULTS: the paper's conclusions.

3. How to Evaluate What You Read. Once you have read and digested an article, then you are ready to critique it. Ask yourself the following questions about each reading:

- LIKE: What did you like/dislike about the paper and why?
- AGREE: Did you agree/disagree with the paper's argument and conclusions?
- FIT: How does the paper fit into the literature we have read already?
- FIX: How could the paper have been improved or extended?
- IMPLICATIONS: What are the paper's public policy and managerial implications?
- TAKEAWAY: What did you "takeaway" from the paper (that is, what will stick with you? If you think about the paper six months from now, what will you remember)?

GRADING POLICIES

Grade Component	Due Date	PhD Students *	Masters Students
Class Participation	starts Jan 23	20	20
Midterm Test	March 19	40	40
Term Paper (<i>PhD students only</i>)	April 23	20	-----
MNE Interview Project Part A – Project Report	April 28	35	35
MNE Interview Project Part B - Final Examination	May 6	5	5
Total Points		120 (scaled back to 100)	100

* Please note that the PhD points total 120, which will be scaled back to 100 points for the purpose of calculating the final course grade.

1. Class Participation (20 Points - evaluated each class starting week 2, Jan 23, 2008) *

Good class participation includes:

- Weekly class attendance. Students are expected to attend and participate in the whole class, for example, absence for half the class will count as non-attendance for that half.
- Regular, active oral participation in class discussions where quality is more important than quantity. Please note that students who monopolize class time with remarks not related to the weekly reading materials will receive oral participation grades equivalent to students with zero participation. “Hot air” will not be rewarded in this class!
- Evidence in class discussions of having read and understood the required readings.
- Demonstration in class discussions, and over the course of the semester, of an ability to synthesize the week's material and to link material from different weeks.

2. Midterm Test (40 Points- March 17, 2008)

We will have a midterm test on March 19 (the week after March Break), during the regular class period. The test will cover the materials from weeks 1 through 8. The test will consist of several questions, with some choice available, and will be closed-book format (exception: the class reading list will be available during the test).

3. MNE Executive Interview Project (40 Points)

This project is in two parts: (1) the project itself (35 Points - due date April 28, 2008) and the final examination report (5 Points - due date May 6, 2008).

3.A. Part A - The Project (due date April 28, 2008)

Selecting the MNE Executive

- Each student will find, contact and interview a senior executive in a multinational enterprise, at some point during the semester. I recommend that you select a firm where you might like to work after graduation, the leading firm in an industry where you would like to work, or an industry/firm you would like to know more about. To identify the executive, use your class account on WRDS (Wharton Data Research Services), check “Leadership Library on the Internet” (available through the TAMU Library’s electronic resources), ask for assistance from one of the librarians in the West Campus or Policy Sciences and Economics Libraries, or search on the Internet using, for example, Hoover’s, the *Wall Street Journal* or *Fortune*.
- There is one general restriction on the choice of firm and individual. Neither the firm nor the individual can have been interviewed by a student in the 2006 or 2007 Multinational Enterprises classes. The interviewee must be different and the MNE must be different from previous students’ choices. There is no exception to this rule. I will, however, post the 2006 and 2007 executive interviews on the course webportal in case you would like to read some of the earlier papers. A list of all the firms and individuals will also be available on the webportal.
- The MNE senior executive must have been with the company for at least one year, have significant

experience with international business, and be willing to be interviewed. Executives who have recently retired may also be interviewed.

- When you contact the executive, provide him or her with a copy of this assignment and ask if s/he can and is willing to answer the questions below. If s/he cannot or is not willing to do so, please find someone else. You may interview a relative or friend if s/he meets the qualifications outlined above.
- Students having difficulty finding an MNE executive should speak to the course instructor before the end of February. (Note, however, that if I have to find your executive for you, I will dock 5% of the maximum grade from your assignment as a finder's fee).

The Interview

- Students should prepare for the interview by learning about the firm and the industry, using electronic resources from our class account on WRDS (Wharton Data Research Services) and the TAMU library's electronic and print resources.
- The interview should focus on the following five topics:
 1. General information about the firm (size, age, nationality, types of international business activities performed by the firm).
 2. General information about the executive (education, experience, job characteristics, international business experience and responsibilities, longevity with the firm and in this position).
 3. An international business decision from one or more of the five kindergarten questions (why, how, where, when, with whom) (e.g., mode of entry choice, foreign location choice, new product introduction), and how the firm/individual made this decision. Link this to our course materials.
 4. An international business problem or crisis (e.g., cross-cultural differences, foreign exchange rate shock, national differences in tax rates, intellectual property rights problems) and how the firm/individual handled this problem/crisis. Link this to our course materials.
 5. An ethical dilemma involving international business and how the firm/individual handled this ethical issue. Link this to our course materials.
- The interview should take from one to three hours. It may be conducted in person or on the telephone. If you need to do the interview over long distance, please make arrangements with me to use the phone in my office for your interview (so you will not be charged for the call).
- You may find you need to interview the individual more than once, with the follow-up interview addressing points that you found unclear, collecting missing information, etc. The second interview might also be by a different method (e.g. phone call for the first round, follow-up by email).

Paper Content

- Each student will write a typed, double-spaced term paper, approximately 15 pages in length, on the interview. Tables, charts and references do not count in the page limit, and should be attached to the end of your paper.

• The paper should follow the topics listed above, plus an Introduction, Discussion, Conclusion, Bibliography, and tables and charts (if included), as follows:

- Introduction
- The Firm
- The Executive
- The Issues
 - International Business Decision (Why/Where/How/With Whom/When)
 - International Business Crisis
 - Ethical Dilemma
- Discussion and Conclusion
- Bibliography
- Tables and Charts

• In the Introduction, state briefly who was interviewed, what firm they work at, how the interview was conducted and when, and if there were any follow-up steps. For example, “I interviewed who works at..... The interview took place over two hours on the telephone on March xxxx, 2008, and twice by email afterwards.” In the Firm section, provide a short description of the MNE. The Executive section provides information about the person you interviewed.

• The Issues section of the paper is the most critical part of the paper. A key criterion in my evaluation will be your ability to relate your case to the materials covered in class over the semester. I am interested in seeing what you learned during the course, and how it informs your analysis of real-world issues and problems faced by multinational enterprises and their executives. So your ability to summarize the interviewee’s responses to these three issues, and then to evaluate the issues and responses in the context of the materials we have covered in class, will be the single most important component of your grade on this paper.

• In the Discussion and Conclusion section, briefly explain why you picked this individual/firm and summarize the ways this case study is a good example of the issues we have discussed in class this semester.

• In the Bibliography, list all the sources you used to gather this information (paper, internet, interviews, etc) and any course readings that you referenced in your paper. Separate your bibliography into “Sources” and “Scholarly References”. I will be looking to see what articles from class you have been able to integrate into your paper, as another method of evaluating your paper.

Paper Submission

• As a courtesy, please provide a copy of your paper to the interviewee. The interviewee may want to check the facts in the paper before you hand it in. There may also be confidentiality issues that require the interviewee to approve the paper.

• You may want to include this paper as part of your Writing Portfolio, which you could make available to potential employers. Therefore, it is important that the report be free of grammatical and spelling errors, and that you have the permission of your interviewee to include the report in your portfolio.

• Save your term paper as a PDF file and load it onto the course webportal in the “MNE Executive Interviews Forum” on or before Monday, April 28, 2008. One printed copy must also be provided to the instructor no later than this date.

Grading

- Grading for this assignment is based on an evaluation of the quality of your term paper. A key criterion in my evaluation will be your ability to relate this assignment to the materials we have covered in class over the semester. I am interested in seeing what you learned during the course, and how it informs your analysis of real-world issues and problems faced by multinational enterprises and their executives.
- Late assignments (either not handed in and/or not posted on the web portal on the due date) will be penalized one-half point per day late (e.g., from 8/10 to 7.5/10, using a 10-point scale).

3.B. Part A – The Final Exam (5 Points- May 6, 2008)

The Mays Business School requires all graduate courses to have a final examination held on the University assigned examination date/time. For our class, this is Tuesday May 6, 3:30-5:30 pm. The exam will be in our regular classroom (WCBA 490).

The final examination will consist of presentations/discussions of your MNE executive interview projects. Prepare a one-page handout summarizing your project, and bring sufficient copies for everyone with you to the final exam. Your final exam grade will be based primarily on your handout together with your oral presentation and participation in the group discussion.

4. Term Paper (for PhD students only – 20 Points - due date: April 23, 2008)

Because this course is open to both Masters and PhD students, to ensure that this course counts as PhD-level credit, all PhD students must also complete a term paper.

The topic must build from one of the weeks' readings for the course, and will be evaluated in terms of both quality of the paper and fit with (and use of) the course materials.

The end goal for this project should be presentation of a paper at the annual meetings of a professional association, for example, the Academy of International Business meetings (national or a regional meeting) or at the international division of the student's major discipline (e.g., the International Management division of the Academy of Management). The course term paper should be seen as the first stage in this process.

The paper must have a clear research question, literature review and theory development sections. Empirical testing is not expected, given the short time frame for this paper. Most likely, the paper will be primarily a literature review with some beginnings of theory development. A case study is also acceptable, if well designed.

The term paper must be new (i.e., the paper cannot be a project that the student already has underway) and cannot be double counted (i.e., be submitted and receive credit from two different courses).

The paper should be 20-30 pages in length, typed, double-spaced, with a bibliography that includes only the readings actually used in the paper. Any tables or charts should be placed at the end of the paper. The format style should follow that required by the professional association for which the paper is intended.

Term Paper Timetable:

- Before the end of February, each PhD student must meet with the instructor to discuss possible term paper topics and conferences where the paper could be presented (or journals where the paper could be submitted).
- A two-page outline of the term paper topic must be submitted to the instructor on or before the end of March. The outline should include the research question, overview of the paper and a few key references. The title page should list the intended conference or journal for the final paper.
- The term paper must be submitted to the instructor on or before the last class, both as an e-mail attachment and in printed form. The due date is April 23, 2008.
- Late papers will lose one-half percentage point for each day late (e.g., if the paper is one day late, the maximum grade drops from 8/10 to 7.5/10 using a 10-point scale). This policy applies regardless of the reason for late submission of the term paper.

WRITING STYLE

Note that all written work will be graded, not only for content, but also for *grammar, writing style, organization and presentation of material*. The mark for poorly written work with frequent misspellings and grammatical errors will be reduced by one complete grade (from B+ to B, for example). Please follow the Bush School's Style Sheet when preparing written assignments.

It is strongly recommended that the student use the Spell Check and Grammatical programs in your word processing package to ensure that your papers (that is, the weekly Idea Sheets and term paper, if a PhD student) are free of stylistic problems. Students who need extra help should consider purchasing an editing software program such as Stylewriter (<http://www.stylewriter-usa.com>).

Students should also ask Mrs. Sally Wade, the Bush School's writing counselor, to assist with preparing assignments. This is particularly true for the Interview Project.

THE AGGIE CODE OF HONOR AND SCHOLASTIC DISHONESTY

Aggie Code of Honor

For many years, Aggies have followed a Code of Honor, which is stated in this very simple verse: "*Aggies do not lie, cheat, or steal, nor tolerate those who do.*" Upon accepting admission to Texas A&M University, a student immediately assumes a commitment to uphold the Honor Code, to accept responsibility for learning and to follow the philosophy and rules of the Honor System. Ignorance of the rules does not exclude any member of the Texas A&M University community from the requirements or the processes of the Honor System. For additional information please visit: www.tamu.edu/aggiehonor/ On course work, assignments, and examinations at Texas A&M University, you will be asked to sign the following Honor Pledge: "On my honor, as an Aggie, I have neither given nor received unauthorized aid on this academic work."

Commission of any of the following acts shall be considered as a violation of the Aggie Code of Honor and evidence of scholastic dishonesty. This listing is not exclusive of any other acts that may reasonably be said to constitute scholastic dishonesty:

- Acquiring Information: Acquiring answers for any assigned work or examination from any unauthorized source. Working with another person or persons on any assignment or examination, when

not specifically permitted by the instructor. Observing the work of other students during any examination.

- Providing Information: Providing answers for any assigned work or examination when not specifically authorized to do so. Informing any person or persons of the contents of any examination before the time the examination is given.
- Plagiarism: Failing to credit sources used in a work product in an attempt to pass off the work as one's own. Attempting to receive credit for work performed by another, including papers obtained in whole or in part from individuals or other sources. You are committing plagiarism if you copy the work of another person and turn it in as your own, even if you have the permission of the person. Plagiarism is one of the worst academic sins, for the plagiarist destroys the trust among colleagues without which research cannot be safely communicated.
- Conspiracy: Agreeing with one or more persons to commit any act of scholastic dishonesty.
- Fabrication of Information: The falsification of the results obtained from a research or laboratory experiment. The written or oral presentation of results of research or laboratory experiments without the research or laboratory experiment having been performed.
- Violation of Departmental or College Rules: Violation of any announced departmental or college rule relating to academic matters, including but not limited to abuse or misuse of computer access or information.

College/Departmental Requirements

- The Bush School requires that all written work for Bush School courses now be turned in to <http://www.turnitin.com> to be checked for plagiarism. More information is available from the Bush School.
- The Bush School now requires that all suspected violations of the Aggie Honor Code must be submitted to the University Honor Council, and penalties are determined by the Council, not the instructor. See <http://www.tamu.edu/aggiehonor/know.html>.
- On course work, assignments, and examinations at Texas A&M University, you will be asked to sign the following Honor Pledge: "On my honor, as an Aggie, I have neither given nor received unauthorized aid on this academic work."
- You must complete assignments and exams alone unless they are explicitly listed as team projects. You may use only the materials we specify to help you complete your work. If, due to a disability or extraordinary circumstances, you need special accommodations or help in completing course requirements, you must see the instructor BEFORE the exam or assignment due date. See Academic Rules, Section 20, at <http://student-rules.tamu.edu/rule20.htm> for more details.
- It is also not acceptable to submit as your own work a paper (or part of a paper) that was completed for another course since this would in effect be 'double counting' (i.e., receiving credit twice for the same piece of work). This activity is called complementarity. If you wish to incorporate research you completed for another course into a paper for this course, the paper must be fully cited and the instructor's permission requested in advance. If complementarity occurs in this course, the piece of work will receive a zero grade.

Library Requirements

See also the TAMU Library's policy and video on this posted at:

<http://libraryasp.tamu.edu/bi/Tutorials/TutorialsFF.htm?mov=AcedIntegStudent.swf>

IMPORTANT UNIVERSITY DATES – SPRING 2008

(See updates at http://www.tamu.edu/admissions/records/academic_calendar.html)

- January 11 Friday. 5 p.m. Last day to register for spring semester classes and pay fees.
- January 14 Monday. First day of spring semester classes.
- January 18 Friday. 5 p.m. Last day for adding/dropping courses for the spring semester.
- January 21 Monday. Martin Luther King, Jr. Day. Faculty and Staff holiday.
- January 25 Friday. 5 p.m. Last day to apply for all degrees to be awarded in May.
- March 3 Monday. Noon. Mid-semester grades due in Office of the Registrar.
- March 10-14 Monday-Friday. Spring break.
- March 13-14 Thursday-Friday. Faculty and Staff holiday.
- March 21 Friday. Reading day, no classes.
- April 1 Tuesday. Last day for all students to drop courses with no penalty (Q-drop).
- April 21 Monday. Muster. Campus ceremony.
- April 28 Monday. Prep day, classes meet. No regular course exams (except for laboratory and one-hour classes) shall be given on these days.
- April 29 Tuesday. Last day of spring semester classes. Redefined day, students attend their Friday classes. Prep day, classes meet. No regular course exams shall be given.
- April 30-May 1 Wednesday-Thursday. Reading days, no classes.
- May 2, 5-7 Friday, Monday-Wednesday. Spring semester final examinations for all students.
- May 9-10 Friday-Saturday. Commencement, Commissioning, and Final Review.
- May 12 Monday. Final grades for all students due in Office of the Registrar.

COPYRIGHT ISSUES

All handouts in this course are copyrighted, including all materials posted on the website for this course. "Handouts" refers to all materials generated for this class, which include but are not limited to the syllabus, class notes, quizzes, exams, lab problems, in-class materials, review sheets, and additional problem sets. You have the right to download materials from the course website for your own use during this class; however, because these materials are copyrighted, you do not have the right to copy the handouts for other purposes unless the instructor expressly grants permission. See the University's policy and video on this posted at:

<http://libraryasp.tamu.edu/bi/Tutorials/TutorialsFF.htm?mov=AcedIntegStudent.swf>

ADA POLICY STATEMENT

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation and have not yet registered with the Department of Student Life, Service for Students

with Disabilities, please contact them immediately. Their office is Room 126 Koldus Building; telephone number is 845-1637. Please inform me also as soon as possible in the semester. I am not qualified to assess disabilities, and so will not be able to help you in establishing a need for accommodation. No adjustments will be made to grades based on disability.

SYLLABUS AND SCHEDULE CHANGES

The course syllabus and/or timetable may be amended or changed as the semester progresses at the instructor's discretion. It is the student's responsibility to stay informed about class schedules and policies. The information you need is in this Syllabus. In addition, announcements will be made regularly in class and posted on the web portal. If you are unclear about any policies or other information with respect to the course, please ask or email me at leden@tamu.edu for more information.

BUSH629/MGMT667/IBUS 667 COURSE TIMETABLE SPRING 2008

Date	No	Topic
Jan 16	1	Are We Global Yet? The International Business Environment
Jan 23	2	Multinational Enterprises – the Kindergarten Questions
Jan 30	3	Why the MNE? The MNE as an Organization
Feb 6	4	How? The Mode of Entry Decision
Feb 13	5	With Whom? International Strategic Alliances
Feb 20	6	Where? The Location Decision
Feb 27	7	When? Internationalization and the Timing of FDI
Mar 5	8	Multinationals from Emerging Economies
Mar 12	x	<i>March Break Week – no class</i>
Mar 19	9	<i>Midterm Test on Weeks 1-8</i>
Mar 26	10	The Scorecard: Impacts of MNEs on Host and Home Countries
Apr 2	11	MNE-State Relations*
Apr 9	12	Politics and the MNE
Apr 16	13	MNEs, Taxes and Transfer Pricing Regulation
Apr 23	14	MNEs, Corruption and Corporate Social Responsibility <i>Last class – student evaluations - Term Paper due (PhD students only)</i>
Apr 28	Mon	<i>Last day for posting MNE Executive Interviews on the course webportal (with submission of one paper copy to the instructor)</i>
May 6	Tues	<i>Final Examination 3:30-5:30 pm in 490 Wehner</i>

* Texas A&M International University is hosting its 13th annual conference on “Western Hemispheric Trade: Facing New Global Challenges”, in Laredo, Texas, April 2-4, 2008. The conference starts with an all-day Doctoral Consortium in International Business on April 2nd. Any PhD student who would like to attend this consortium, or present a paper at the conference, should speak to me ASAP.

REQUIRED READING LIST

The reading list will likely be updated as we move through the semester. All readings are posted on the course webportal. Students may download and print one copy for their personal use. Please read the University's Fair Use Guidelines and see the video posted at:

<http://libraryasp.tamu.edu/bi/Tutorials/TutorialsFF.htm?mov=AcedIntegStudent.swf>

CLASS #1 — JANUARY 16, 2008

ARE WE GLOBAL YET? THE INTERNATIONAL BUSINESS ENVIRONMENT

Levitt, Theodore. 1983. The globalization of markets. Harvard Business Review, May-June: 92-102.

Ohmae, Kenichi. 1995. Putting global logic first. Harvard Business Review Jan-Feb. Reprinted in 2000, pp. 119-124.

Hofstede, Geert. 1994. The business of international business is culture. International Business Review, 3.1: 1-14. Reprinted in Peter Buckley and Pervez Ghauri, 1999. The Internationalization of the Firm, Second Edition (London, UK: Thompson Business Press), pp. 381-93.

Ghemawat, Pankaj. 2001. Distance still matters: The hard reality of global expansion. Harvard Business Review, September, 137-147.

Ghemawat, Pankaj. 2003. The forgotten strategy. Harvard Business Review, November: 76-84.

Additional Recommended Readings for PhD Students

Hofstede, Geert. 1983. The Cultural Relativity of Organizational Practices and Theories. Journal of International Business Studies, 14.2: 75-89. *JIBS Top 20 List*.

Sullivan, D. 1994. Measuring the degree of internationalization of a firm. Journal of International Business Studies. 25: 325-342

Ramaswamy, K. & Kroeck, W. R. 1996. Measuring the degree of internationalization of a firm: A comment. Journal of International Business Studies. 27: 167-177

Sullivan, D. 1996. Measuring the degree of internationalization of a firm: A reply. Journal of International Business Studies. 27: 179-192

CLASS #2 – JANUARY 23, 2008
MULTINATIONALS – THE KINDERGARTEN QUESTIONS

Dunning, John. 1988. The Eclectic Paradigm of International Production – A Restatement and Some Possible Extensions. Journal of International Business Studies, 19.1: 1-31. *JIBS Decade Award & Top 20 List*.

Dunning, John. 1995. Reappraising the Eclectic Paradigm in an Age of Alliance Capitalism. Journal of International Business Studies 26.3: 461-91. *JIBS Top 20 List*.

Hennart, Jean-Francois. 2001. Theories of the Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (Eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Eden, Lorraine. 2003. A Critical Reflection and Some Conclusions on OLI. In John Cantwell and Rajneesh Narula (eds.) International Business and the Eclectic Paradigm: Developing the OLI Framework. London and New York: Routledge.

Additional Recommended Readings for PhD Students

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CLASS #3 – JANUARY 30, 2008
WHY THE MNE? THE MULTINATIONAL AS AN ORGANIZATION

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Kostova, and Srilata Zaheer. 1999. Organizational Legitimacy under Conditions of Complexity: The case of the multinational enterprise. Academy of Management Review, 24.1: 64-81.

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CLASS #4 – FEBRUARY 6, 2008
HOW: THE MODE OF ENTRY DECISION

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CLASS #5 – FEBRUARY 13, 2008
WITH WHOM? INTERNATIONAL STRATEGIC ALLIANCES

Hamel, Gary, Yves Doz and C. K. Prahalad. 1989. Collaborate with your competitors and win. Harvard Business Review, Jan-Feb: 133-139.

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Geringer, J.M. and L. Hebert. 1991. Measuring Performance of International Joint Ventures. Journal of International Business Studies, 22.2: 249-263. *JIBS Top 20 List*.

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- Dyer, Jeffery H. and Wujin Chu. 2003. The role of trust in reducing transaction cost and improving performance. Organization Science 14.1 (January-February): 57-68.
- Liker, Jeffrey K. and Thomas Y. Choi. 2004. Building deep supplier relationships. Harvard Business Review, December: 104-113.
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- Zhang, Yan, Haiyang Li, Michael Hitt and Geng Cui. 2007. R&D intensity and international joint venture performance in an emerging market: moderating effects of market focus and ownership structure. Journal of International Business Studies, 38: 944-960.

CLASS #6 – FEBRUARY 20, 2008
WHERE? THE LOCATION DECISION

Globerman, Steven and Daniel Shapiro. 2002. Governance infrastructure and US foreign direct investment. Journal of International Business Studies, 1-21.

Ghemawat, Pankaj. 2003. Semiglobalization and international business strategy. Journal of International Business Studies, 34: 138-152.

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Flores, Ricardo G. and Ruth V. Aguilera. 2007. Globalization and location choice: an analysis of US multinational firms in 1980 and 2000. Journal of International Business Studies, 38.7: 1187-1210.

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- Kuemmerle, Walter. 1999. The Drivers of Foreign Direct Investment into Research and Development: An Empirical Investigation. Journal of International Business Studies, 30.1: 1-24.
- Shaver, Myles and Frederick Flyer. 2000. Agglomeration Economies, Firm Heterogeneity, and Foreign Direct Investment in the United States. Strategic Management Journal, 21: 1175-93.
- Nachum, Lilach. 2000. Economic Geography and the Location of TNCs: Financial and Professional Service FDI to the USA. Journal of International Business Studies, 31.3: 367-85.
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- Chuck, Wilbur and Juan Alcacer. 2002. Knowledge Seeking and Location Choice of Foreign Direct Investment in the United States. Management Science, 48.12: 1534-54.
- Grosse, Robert and Len J. Trevino. 2005. New institutional economics and FDI location in central and eastern Europe. Management International Review, 45.2: 123-45.
- Bevan, Alan, Saul Estrin and Klaus Meyer. 2004. Foreign investment location and institutional development in transition economies. International Business Review, 13: 43-64.
- Verbeke, Alain. 2007. International Business Strategy. Chapter 3: The nature of home country location advantages. AND Chapter 4: The problem with host country location advantage. Forthcoming.
- Qian, Gongming, Lee Li, Ji Li and Zhengming Qian. Forthcoming. Regional diversification and firm performance. Journal of International Business Studies. Forthcoming in 2008.

CLASS #7 – FEBRUARY 27, 2008

WHEN? INTERNATIONALIZATION AND THE TIMING OF FDI

Johanson, J and J.E. Vahlne. 1977. Internationalization Process of the Firm – Model of Knowledge Development and Increasing Foreign Market Commitment. Journal of International Business Studies, 8.1: 23-32. *JIBS Top 20 List*.

Oviatt, Benjamin M. and Patricia Phillips McDougall. 1994. Toward a theory of international new ventures. Journal of International Business Studies, 25: 45-64. *JIBS Decade Award & Top 20 List*.

Rivoli, Pietra and Eugene Salorio. 1996. Foreign Direct Investment and Investment under Uncertainty. Journal of International Business Studies 27.2: 335-57.

Barkema, Harry G and Rian Drogendijk. 2007. Internationalising in small, incremental or larger steps? Journal of International Business Studies, 38.7: 1132-48.

Cuervo-Cazurra, Alvaro, Mary M Maloney and Shalini Manrakhan. 2007. Causes of the difficulties in internationalization. Journal of International Business Studies, 38.5: 709-725.

Hutzschenreuter, Thomas and Johannes C Voll. 2008. Performance effects of "added cultural distance" in the path of international expansion: the case of German multinational enterprises. Journal of International Business Studies, 39.1: 53-70.

Additional Recommended Readings for PhD Students

Knight, Gary A and S Tamir Cavusgil. 2004. Innovation, organizational capabilities and the born-global firm. Journal of International Business Studies, 35.2: 124-41.

Zahra, Shaker A. 2004. A theory of international new ventures: a decade of research. Journal of International Business Studies, 1-9: pp. 1-9.

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CLASS #8 – MARCH 5, 2008
THE LATECOMERS – MNEs FROM EMERGING ECONOMIES

Khanna, Tarun and Krishna Palepu. 1997. Why Focused Strategies May Be Wrong for Emerging Markets. Harvard Business Review, July-Aug: 41-51.

Bartlett, Christopher and Sumantra Ghoshal. 2000. Going Global: Lessons from Latemovers. Harvard Business Review, March/April, vol. 78.2: 132-142.

Zeng, Ming and Peter Williamson. 2003. The hidden dragons. Harvard Business Review, October: 93-99.

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Luo, Yadong and Rosalie L. Tung. 2007. International expansion of emerging market enterprises: A springboard approach. Journal of International Business Studies, 481-498.

Makino, Shige, Chung-Ming Lau and Rhy-Song Yeh. 2002. Asset-exploitation versus asset-seeking: Implications for location choice of foreign direct investment from newly industrialized economies. Journal of International Business Studies, 3.3 (3rd Quarter):403-421.

Morck, Randall, Bernard Yeung and Minyuan Zhao. Forthcoming. Perspectives on China's Outward Foreign Direct Investment. Journal of International Business Studies. Forthcoming in 2008.

Additional Recommended Readings for PhD Students

Khanna, Tarun and Krishna Palepu. 1999. The Right Way to Restructure Conglomerates in Emerging Markets. Harvard Business Review, pp. 125-34.

Dawar, Niraj and Tony Frost. 1999. Competing with Giants: Survival Strategies for Local Firms in Emerging Markets. Harvard Business Review, March-April, pp. 119-129.

Hoskisson, Robert, Lorraine Eden, Chung-Ming Lau and Michael Wright. 2000. Strategy in Emerging Economies. Academy of Management Journal 43.3 (June): 249-67.

London, Ted and Stuart L. Hart. 2004. Strategies for emerging markets: beyond the transitional model. Journal of International Business Studies 35: 350-370.

Khanna, Tarun, Krishna G. Palepu and Jayant Sinha. 2005. Strategies that fit emerging markets. Harvard Business Review, June: 63-76.

UNCTAD. 2006. World Investment Report 2006: FDI from Developing and Transition Economies.

Yiu, Daphne W., ChungMing Lau and Gary D. Bruton. 2007. International venturing by emerging economy firms: the effects of firm capabilities, home country networks, and corporate entrepreneurship. Journal of International Business Studies, 519-540.

Filatotchev, Igor, Roger Strange, Jenifer Piesse and Yung-Chih Lien. 2007. FDI by firms from newly

industrialised economies in emerging markets: corporate governance, entry mode and location. Journal of International Business Studies, 38.4: 556-572.

Peter J Buckley, L Jeremy Clegg, Adam R Cross, Xin Liu, Hinrich Voss and Ping Zheng. 2007. The determinants of Chinese outward foreign direct investment. Journal of International Business Studies, 499-518.

CLASS #9 – MARCH 19, 2008
MIDTERM TEST

Note: There is no class on March 12 (Break Week).

Midterm Test covering the materials in weeks 1 through 8.

CLASS #10 – MARCH 26, 2008

THE SCORECARD: IMPACTS OF MNES ON HOST AND HOME COUNTRIES

Reich, Robert. 1990. Who is us? Harvard Business Review, Jan-Feb: 53-64. AND Reich, Robert. 1991. Who is them? Harvard Business Review, March-April: 77-88.

Dunning, John. 1994. Re-evaluating the benefits of FDI. Transnational Corporations 3(1): 23-51.

OECD. 2002. Foreign Direct Investment for Development: Maximizing Benefits, Minimizing Costs. Paris: OECD.

Meyer, Klaus. 2004. Perspectives on multinational enterprises in emerging economies. Journal of International Business Studies 35: 259–276.

UNCTAD. 2006. World Investment Report 2006: FDI from Developing and Transition Economies. Chapter 5: Impact on home and host developing economies. Geneva: UNCTAD, pp. 169-200.

Graham, Edward M. and David M. Marchick. 2006. US National Security and FDI. Chapter 3: The economic effects of foreign investment in the United States. IIE, pp. 75-94.

Additional Recommended Readings for PhD Students

MACDOUGALL, G.D.A. 1960. The Benefits and Costs of Private Investment from Abroad: A Theoretical Approach. Economic Record, Special Issue, March. Reprinted in A.E.A. Readings in International Economics, Vol. XI, Richard Caves and Harry Johnson, Eds. Homewood, Ill.: Richard D. Irwin, Inc., 1968, pp. 172-94.

Feenstra, Robert C and Gordon H Hanson. 1997. Foreign direct investment and relative wages: Evidence from Mexico's maquiladoras. Journal of International Economics, 42: 371-93.

Hejazi, Walid and A. Edward Safarian. 1999. Trade, Foreign Direct Investment and R&D Spillovers. Journal of International Business Studies, 30.3: 491-511.

O'Donnell, Sharon and Timothy Blumentritt. 1999. The contribution of foreign subsidiaries to host country national competitiveness. Journal of International Management, 5: 187-206.

Blomstrom, Magnus and Ari Kokko. 2000. Multinational corporations and spillovers. Journal of Economic Surveys, 12.2: 1-31.

Figlio, David N and Bruce A Blonigen. 2000. The Effects of Foreign Direct Investment on Local Communities. Journal of Urban Economics, 48: 338-363.

Moran, Theodore H. 2001. The product cycle model of foreign direct investment and developing country welfare. Journal of International Management, 6: 297-311.

Belderbos, Rene, Giovanni Capannelli and Kyoji Fukao. 2001. Backward Vertical Linkages of Foreign Manufacturing Affiliates: Evidence from Japanese Multinationals. World Development, 29.1: 189-208.

Chung, Wilbur. 2001. Identifying technology transfer in foreign direct investment: Influence of industry

conditions and investing firm motives. Journal of International Business Studies, 32.2: 211-229.

Feinberg, Susan E. and Sumit K. Majumdar. 2001. Technology spillovers from foreign direct investment in the Indian pharmaceutical industry. Journal of International Business Studies, 32.3: 421-37.

Lipsey, Robert E. 2002. Home and Host Country Effects on FDI. NBER Working Paper Series #9293. Cambridge, MA: National Bureau of Economic Research.

Nachum, Lilach. 2003. Does nationality of ownership make any difference and, if so, under what circumstances? Professional service MNEs in global competition. Journal of International Management, 9: 1-32.

Chen, Tain-Jy, Homin Chen and Ying-Hua Ku. 2004. Foreign direct investment and local linkages. Journal of International Business Studies, 35: 320-333.

Dunning, John H. and Sarianna M. Lundan. Forthcoming. Multinational Enterprises and the Global Economy (2nd Edition). Chapter 16: Linkages, Spillovers and Clustering.

CLASS #11 – APRIL 2, 2008
MNE-STATE RELATIONS – COOPERATIVE OR CONFLICTUAL?

Gomes-Casseres, Benjamin. 1990. Firm Ownership Preferences and Host Government Restrictions: An Integrated Approach. Journal of International Business Studies, 1-22. *JIBS Decade Award*.

Wells, Louis T. and Eric S. Gleason. 1995. Is foreign infrastructure investment still risky? Harvard Business Review, Sept-Oct.: 4-12.

Ramamurti, Ravi. 2001. The Obsolescing 'Bargain Model'? MNC-Host Developing Country Relations Revisited. Journal of International Business Studies, 32.1: 23-39.

Luo, Yadong. 2001. Towards a Cooperative View of MNC-Host Country Relations: Building Blocks and Performance Implications. Journal of International Business Studies, 32.3 (3rd Quarter): 401-19.

Ramamurti, Ravi and Jonathan P. Doh. 2004. Rethinking foreign infrastructure investment in developing countries. Journal of World Business, 39: 151-167.

Eden, Lorraine, Stefanie Lenway and Douglas A. Schuler. 2005. From the obsolescing bargain to the political bargaining model. . In Robert Grosse (ed.) *International Business-Government Relations in the 21st Century*. Cambridge, UK: Cambridge University Press.

Additional Recommended Readings for PhD Students

Vernon, Raymond. 1971. Sovereignty at Bay. New York: Basis Books.

VERNON, Raymond. 1981. "Sovereignty at Bay: Ten Years After". In Theodore Moran, ed. (1985) Multinational Corporations: The Political Economy of Foreign Direct Investment (Lexington, Mass.: Lexington Books).

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DUNNING, John. 1991. "Governments and Multinational Enterprises: From Confrontation to Co-operation?" Millennium. Vol.20, No. 2 (summer): 225-44. Reprinted in Lorraine Eden and Evan Potter, Eds. 1993. Multinationals in the Global Political Economy. London: Macmillan and New York: St. Martins Press.

Makhija, M. V. 1993. Government intervention in the Venezuelan petroleum industry: An empirical investigation of political risk. Journal of International Business Studies. 24: 531-555

STOPFORD, John M. 1994. The growing interdependence between transnational corporations and Governments. Transnational Corporations 3(1): 53-76.

Vachani, S. 1995. Enhancing the obsolescing bargain theory: A longitudinal study of foreign ownership of U.S. and European multinationals. Journal of International Business Studies. 26: 161-180.

Grosse, R. 1996. The bargaining relationship between foreign MNEs and host governments in Latin America. International Trade Journal. 10 (Winter): 467-499

VERNON, Raymond. 1998. In the Hurricane's Eye: The Troubled Prospects of Multinational Enterprises. Cambridge, MA: Harvard University Press.

Rugman, Alan and Alain Verbeke. 1998. Multinational Enterprises and Public Policy. Journal of International Business Studies 29.1: 115-36.

Eden, Lorraine and Maureen Appel Molot. 2002. Insiders, outsiders and host country bargains. Journal of International Management 8: 359-388.

CLASS #12 – APRIL 9, 2008
POLITICS AND THE MULTINATIONAL ENTERPRISE

Government Regulation of MNEs and FDI

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CLASS #13 – APRIL 16, 2008
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