
ITALY CENTER

 SPRING HILL COLLEGE

BUS 320

INTERNATIONAL BUSINESS

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Course Description:

The course focuses on the global and cultural environment of business in today's international arena. It explores the historical and socio-economic roots of globalization, and its impact on social justice and human rights. It compares the differences in political economy and culture between different countries, with particular regards to the U.S. and Europe.

In this regards the course addresses theories of international trade, foreign direct investment, business-government relations and the rise of multinational corporations as the most powerful private actors in international business. We will further look at the impact of regional economic integration in Europe and the US.

Lastly, we will address the current structure of the foreign exchange market. We will discuss the evolution of the international financial system and its institutions, and we will understand how financial markets works and operates. Based on this broad analysis we will also tackle the financial and sovereign debt crisis and its impact on EU countries.

Course Objectives:

The course is designed to help you integrate your knowledge of the functional areas of business into an internationally oriented view by evaluating the global environment, and speculating on the future international context and direction. By the end of this course, students will be able to:

- critically analyse the dynamics of globalization;
- discuss different approaches to business ethics and suggest measures that can be taken to ensure that ethical issues are respected in international business decisions;
- understand the role and the functioning of multinational enterprises;
- acknowledge the importance of national differences in terms of politics, economics, culture and legal systems for international business and economic development;
- understand international trade and its multiple dynamics;
- assess the role of international institutions in international business;
- analyse foreign direct investment;
- understand and assess the financial crisis and sovereign debt crisis in an international perspective.

Spring Hill College Italy Center Attendance Policy:

Attendance at all classes is required of all students. Students are expected to arrive at class on time, having completed the week's course readings and assignments, with a pen, paper and books in-hand. Students are expected to read their email daily to keep abreast of important academic and safety related issues. It is the student's responsibility to notify his/her teachers of an anticipated absence, make arrangements to complete the work, and then complete the work as agreed.

In the event a student misses more than ONE class he/she will automatically be marked down one grade point. A student may be absent once before being penalized. For example, if a student is expected to receive a "B" for a course, but has more than one unexcused absences on his/her report, the final grade for the course will be dropped to a "B-". Excused absences require a note from the Spring Hill medical Doctor (Stephen Williams, M.D.) or from Dr. Todd Waller. Any change in status which will result in absence, the student must contact their professor immediately. It is a student's responsibility to keep him/herself informed of pending strikes, changes in air travel and any other potential obstacles that may prohibit one from being at class on time. Excuses related to travel delays will not be accepted. Examinations missed by reason of absence must be made up at the convenience of the instructor. Students are required to familiarize themselves with the course schedule and should not attempt to make travel plans that may conflict with course meetings, on site visits, and exams.

Accommodation Policy:

In order to be eligible for accommodations (i.e. extended time on exams and tests) you are required to present an official letter from your home institution indicating that you may receive support. The letter which normally comes from one's home campus Center for Academic Support must be presented to me and also to Dr. Waller prior to the Italy Center drop / add deadline (see Italy Center Webpage for calendar deadlines / <http://kudzu.shc.edu/italycenter/>). A note provided by a home physician or counselor will not suffice. Any information provided will be treated as private and confidential.

Grading:

The college describes grade designations in the Bulletin. Briefly, an A constitutes "excellent, truly outstanding scholarship and an unusual degree of intellectual initiative"; a B "truly superior or well above average attainment"; a C "average or satisfactory work as is done by a majority of students"; and a D "deficient, but passed."

Final Exam: 50 % of final grade

There will be a final exam. This is a 1 hour and a half, in-class examination. It is a limited open-book exam. You may consult any written material you wish, including your notes, slides from class lectures and readings saved in the shared Drive folder. You may not consult any online sources or databases of any kind, nor may you consult with your fellow students.

Points	grade awarded
100-93	A
92-90	A-
89-87	B+
86-83	B
82-80	B-
79-77	C+
76-74	C
73-70	C-
69-67	D+
66-60	D
59-0	F

It is critical that you take detailed notes during class sessions in order

to have a written record of all material discussed and covered during class time. Your detailed class notes combined with the required readings will ensure that you are fully prepared for the exams.

John Hopkins lecture and reaction paper:

Reaction paper to John Hopkins lecture: 25 % of final grade

In order to successfully complete the requirements of this course, you will be asked to attend at least one lecture at the Johns Hopkins Graduate School of Advanced International Studies (SAIS) which has some connection with one of the subjects of the course. John Hopkins offers superb lecture series attracting top diplomats and academics from across Europe and the United States. Former lectures have included the head of the European Central Bank, the United Nations High Representative for Refugees, the former head of the World Trade Organization, and the former Prime Minister of Italy. The schedule will be provided day one of the semester and you are to plan ahead in order to be present for the lectures. The schedule of the seminars is normally available on this webpage: <http://www.bipr.eu/events.com>. In order to prove your attendance at these lectures you are required to sign a list of SHC students that is available in Johns Hopkins. Failure to sign the list will count as if the seminar had not been attended. It is the responsibility of the students to look for the list and sign it. In case a signature is missing, the report for that seminar will not be graded. Furthermore, if you attend at least three SAIS lectures you will also receive a separate certificate from the John Hopkins.

You will be required to write a short paper regarding the John Hopkins SAIS lecture you have attended (at least 500 words), and present your paper in class. It is expected that your short reports incorporate relevant notions from this course and offer a critical analysis of your thoughts, insights and comments directly linked to the lecture. A simple reiteration of the lecture does not reflect a critical level of analysis.

Please note: word count includes references and footnotes, but excludes bibliography.

Papers

It is imperative to keep conceptual precision, logical coherence, historical awareness, and to quote sources correctly.

Example of structure:

- 1) Introduction: definition of the problem and its terms;
- 2) Development of the argument(s);
- 3) Conclusion.

A strong paper will include the following (absolute minimum of four sources per paper):

- References from the required course reading
- References from the recommended readings
- References from outside new sources (primary sources are encouraged when possible).

Late papers will be considered under exceptional circumstances but may be marked down one third of a letter grade for each day that they are late. Contact the professor ASAP (preferably at least 24

hours in advance of the due date) if you think you may need a paper extension with the request and reason for the request. Documentation and college approval may be necessary in certain cases. Essays that are not submitted via email by the due date will be considered late unless otherwise stated or other arrangements are made with the professor.

Participation:

<u>Class participation: 25 % of final grade</u>

Students are expected to prepare for and attend each scheduled class, and actively participate in debates. At the beginning of each session, one student could be asked to do a 15 minute presentation which will cover material in the readings. Participation will be assessed through these presentations and in class discussions. The following criterion will give you an idea of how participation will be graded.

A-range: Student has clearly read and thought about the articles under discussion and has contributed in nearly every discussion with thoughtful questions and comments that demonstrate an engagement with the readings, the presentations, and her classmates.

B-range: Student has clearly read and thought about the articles under discussion and has contributed regularly in discussion with thoughtful questions and comments that demonstrate an engagement with the readings, the presentations, and her classmates.

C-range: Student has read but has not demonstrated thoughtfulness towards the articles under discussion, or student has not clearly thoughtfully read on a regular basis OR Student has thoughtfully read on a regular basis but has not contributed in discussion regularly with thoughtful questions and comments that demonstrate an engagement with the readings, the presentations, and her classmates.

D-range: Student has not regularly read the articles under discussion OR student has not contributed in discussion on an intermittent basis.

F-range: Student has not regularly read the articles AND student has not contributed in discussion on an intermittent basis.

Plagiarism:

Plagiarism and academic dishonesty/impropriety on examinations, papers and any other assignments will not be tolerated and will result in disciplinary action. Please read the appropriate pages in the Student Handbook (to be found in Dr. Waller's office).

Course Schedule and Reading

Please note, adjustments to the schedule will be announced in class and/or per email. All the assigned readings, due on the date listed, are mandatory.

On day one of class a course reader will be provided. The main textbook is Hill, Charles W.L., Hult G.T.M. (2015), Global Business Today, 9th ed. (excerpt in the reader) Additional readings are

assigned for specific lectures. Articles included in the reader and/or referenced for online or digital access are outlined below in the weekly calendar.

Lecture 1 - In this session I will briefly introduce the different topics that we will discuss during the course. The discussion will then examine today's globalized world and address all the different economic, social, cultural and legal aspects of globalization.

Lecture 2 – In this session we will discuss the changes that globalization has brought about in the United States, in Europe (with particular regard to Italy) and in the developing countries, by analysing its pros and cons both under a theoretical standpoint and a practical perspective through case studies. Readings: J. Stiglitz, Globalization and its Discontents, ch 1 (3-22); J. Bhagwati, In defence of Globalization, ch 5 (51-67).

Lecture 3 – We will examine the differences between societies in terms of their economic, political, and legal systems, as well as their culture. As a result, and on the basis of the discussion of the previous lecture, we will try to understand how these differences impact the economic development in the globalized setting.

Readings: Hill, Charles W.L., Hult, Ch 2 (37 – 56); Ch 3(59 – 86).

Lecture 4 – In this session we will discuss the different philosophical foundations to justice and efficiency in light of their potential impact on ethics in international business. Readings: J. Rawls, A theory of Justice, ch. 1 (3-40).

Lecture 5 – In this session we will discuss the different philosophical foundations to justice and efficiency in light of their potential impact on ethics in international business.

Readings: R. Coase, The Problem of Social Cost (1-44)

Lecture 6 – Based on the theoretical foundation developed in the previous section, we will understand the repercussions that the presently constructed international business setting have on human rights and the environment. In doing so we will address specific case studies.

Reading: Hill, Charles W.L., Hult, Ch 5, (124 – 163).

Lecture 7 – In this session, we will look in particular at the rise of Multinational Corporations as the most powerful private actors in international business.

Readings: D. Balaam, M. Veseth, Introduction to International political economy, Ch. 17, (376-401).

Lecture 8 - These sessions analyse Foreign Direct Investment. We will look at various theories that attempt to explain horizontal and vertical Foreign Direct Investment. We will study its sources and its drivers trying to understand how government's trade policy may affect the choice of going multinational. Readings: Hill, Charles W.L., Hult, Ch 8, (219 – 246).

John Hopkins reaction paper is due.

Lecture 9 – This session addresses the various trade theories that explain why it is beneficial for a country to engage in international trade. We will discuss the pros and cons of free international trade. Readings:

Readings: Hill, Charles W.L., Hult, Ch 6, (151-186); D. Ricardo, “On the Principles of Political Economy and Taxation ch. 7 (85-103).

Lecture 10 – Based on the previous analysis we will discuss the various instruments of trade policy as well as the political and economic arguments for government intervention in international trade.

Readings: Hill, Charles W.L., Hult, Ch 7 (190-216).

Lecture 11 – Based on the previous discussion we will compare the regional economic integration in the US, such as NAFTA, and in the EU. It analyses the implications of regional economic integration for the practice of international business.

Readings: Readings: Hill, Charles W.L., Hult, Ch 9, (249 – 278).

Lecture 12 In this lecture we will discuss the international financial system. This session will discuss the current structure of the foreign exchange market and its evolution after the Second World War. We will also overview the role played by international financial institutions, looking in particular at the International Monetary Fund and the World Bank, and the European monetary setting with particular regards to the European Central Bank.

Readings: Hill, Charles W.L., Hult, Ch 10, (281 – 305); Ch 11, (306 – 331).

Lecture 13 – We will briefly review the theory behind how financial markets works and operates. This session will address the reasons behind the international financial crisis in 2008. We will begin to understand the relation between real economy, international trade and international finance.

Readings: Dewatripont, M., J.-C. Rochet and J. Tirole, Balancing the Banks: Global Lessons from the Financial Crisis. Ch. 1 (1-47).

Lecture 14 - In this lecture we will understand the Sovereign Debt Crisis and its link with the financial crisis. We will then explore the underlying reasons behind the European crisis.

Readings: De Grauwe, Design Failures in the Eurozone - can they be fixed (29 pp.).

FINAL EXAM in class

Bio / Alessandro Busca

Alessandro Busca holds a PhD in law from the European University Institute and a law degree from the University of Bologna, where he spent one year as an exchange student at the University of California, Santa Barbara. He also holds a master degree LL.M. from the University of Chicago Law School. He teaches on a part-time basis at the University of Florence and he has previously worked in several institutions, both national and international, such as the European Court of Human Rights.