Course Description:

This 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 U.S. business model to the European one, with a special emphasis on Italy.

It looks in particular at the rise of multinational corporations as the most powerful private actors in international business, as well as the consequences that the mobility of multinational corporations has had for issues such as legal standards on labor law and fundamental rights.

It addresses the role that international institutions, such as the United Nations, World Trade Organization as well as international financial institutions, such as the International Monetary Fund and the World Bank, play in the regulation of international business.

Finally, it looks at the impact of regional economic integration in Europe and the US, with a specific focus on the current financial crisis.

Course Objectives:

By the end of this course, students will be able to:

- critically analyse the dynamics of globalization
- understand international trade and its dynamics
- understand the role and the functioning of multinational enterprises
- understand the role played by the legal framework in shaping business opportunities
- assess the role of international institutions in international business
- analyse foreign direct investment;

Readings


Dewatripont, M., J.-C. Rochet and J. Tirole (2010), Balancing the Banks: Global Lessons from the Financial Crisis, chapter 2.

More readings will be assigned during the course.

**Grade Distribution:**

- Participation = 20%
- Short paper = 20%
- Final Exam = 40%
- Johns Hopkins Lectures = 10%

**Participation:**

Students are expected to prepare for and attend each scheduled class. During the semester you are required to actively participate in debates. In order to receive a high mark for participation it is expected that students will ask critical questions that are directly related to the week’s reading material. During the lectures the lecturer might ask random questions on the readings and the discussed materials, hence the students are expected to be ready to answer.

Participation will be assessed through various in and out of class exercises as well as participation 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 chapters and 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.

As a rough measure: an A-range student should be able to ask at least five meaningful questions strictly related to the readings.

**B-range:** Student has *clearly read and thought about the chapters and 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.

As a rough measure: a B-range student should be able to ask at least four meaningful questions strictly related to the readings.
C-range: Student has read but has not demonstrated thoughtfulness towards the chapters and 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 chapters and the articles under discussion OR student has not contributed in discussion on an intermittent basis.

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

Short Paper:

Students are required to write a 10-page paper (approximately 3000 to 3500 words) on a selected topic among the issues taken into account in the course or among the events that will take place during the course. Topics need to be discussed in advance with the instructor on an individual basis. Students will need to decide a topic for their paper by the end of the 2nd week of class. By the end of the 6th week of class each student must be able to produce a first draft of the paper (at least 4-5 pages) and a list of (minimum) four primary references (no, Wikipedia is not a primary reference). First drafts will be collected during the week 7 lecture. The final version of the paper should include 6-8 primary references and will be collected during the last lecture.

A strong final paper will include the following:
- References from the required course reading
- References from the recommended readings
- References from outside new sources.

Final Exam:

There will be a final exam organized at the end of the course. 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 final exam.

Final exam TBD

Johns Hopkins Lecture Series:
In order to successfully complete the requirements of this course, you will be asked to attend three additional lectures at the Johns Hopkins Graduate School of Advanced Internations Studies (SAIS). Hopkins offers a superb lecture series attracting top diplomats and academics from across Europe and the United States. The schedule will be provided at the beginning of the semester and you are to plan ahead in order to be present for the lectures. Former lectures have included the head of the European Central Bank,
You will be required to write short reports regarding the Hopkins SAIS lectures. (at least 350-400 words, each report).

CALENDAR

This class calendar offers twelve weeks of class instruction. Most weeks you will attend class for 1.5 hours on Monday and Wednesday.

Week 1) Introduction to International Business

This introductory session sets the scene for the rest of the course by examining some of the historical aspects of international business in a globalized world. It defines what globalization is, and what its drivers are.

Readings: Textbook, Chapter 1
Optional materials: TBD.

Week 2) International Business and National Specificities

This sessions examines the differences between nations in terms of political systems, political economy and legal systems and how these differences impact on the practice of international business. It compares American and European business models, with a special emphasis on Italy. We will see that the governance of European companies may be quite different from the US ones. We will discuss the German co-determination and the Italian cooperatives.

Readings: textbook, Chapter 1 and 2.
Optional materials: TBD.

Week 3) Political Economy and Development

During this week we will discuss how political economy affects development. We will analyse the role played by legal systems and institutions in shaping the landscape for economic activities.

Readings: Textbook, Chapter 3.

Week 4) Ethics in International Business: Unethical behaviours, Corruption, Whistle-blowing and Corporate Social Responsibility.

These sessions discusses the different philosophical approaches to business ethics. We will also analyze different cases of corporate frauds (both in Europe and in the US) and discuss the role played by whistle-blowers in uncovering frauds and corruption. We will
also briefly discuss how regulation can make it easier to uncover unethical behaviors in the international business.

Reading: Textbook, Chapter 5.
Optional materials: TBD.

Week 5) The International Economics and the Financial Crisis

This session will begin to set the stage for understanding some of reasons way the international financial crisis spread out in 2008. We will begin to understand the relation between real economy, international trade and international financial flows.

Readings: Dewatripont, Rochet and Tirole; chapter 2.
Kindleberger and Aliber, chapter 1 and 2.

Week 6) International Trade Theory

This session assesses the pros and cons of free trade. In particular, it studies the various trade theories that explain why it is beneficial for a country to engage in international trade. It reviews the various instruments of trade policy as well as the political and economic arguments for government intervention in international trade.

Readings: Textbook, Chapter 6.
Optional materials: TBD.

Week 7) Political Economy of International Trade

During this week we will discuss the role played by the barriers to trade. We will analyse how tariffs, quotas subsidies and other instruments set by the governments affect the international trade.

Readings: Textbook, Chapter 7.
Optional materials: TBD.

Week 8) Foreign Direct Investment

Monday, Mar. 9th
Wednesday, Mar. 11th

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.

Readings: Textbook, Chapter 8.
Optional materials: TBD.
Week 9) Regional Economic Integration
This session examines the economic and political debate surrounding regional economic integration. It compares the regional economic integration in the US and in the EU. It analyses the implications of regional economic integration for the practice of international business.

Readings: Textbook, Chapter 9.
Optional materials: TBD.

Week 10) The Foreign Exchange Market.
This session will discuss the current structure of the foreign exchange market and its evolution after the Second World War. We will also discuss the role played by international financial institutions, looking in particular at the International Monetary Fund and the World Bank. It explores their controversial role in global finance, with especial reference to the current financial crisis.

Readings: Textbook, Chapter 10.
Optional materials: TBD.

Week 11) The evolution of the International Monetary System
During this week will disc the international financial system and its evolution after the Second World War. We will also discuss the role played by international financial institutions, looking in particular at the International Monetary Fund and the World Bank. It explores their controversial role in global finance, with special reference to the current financial crisis.

Readings: Textbook, Chapter 11.
Optional materials: TBD.

Week 12) Conclusions: the Financial Crisis and the Sovereign Debt Crisis
In the last two lecture we will try to apply all the materials discussed during the course to the current economic situation in Europe. We will try to highlight the effect of the Sovereign Debt Crisis and its implication for the European Economy, and the business opportunities, in the near future. This session looks at the 2008 financial crisis. It focuses more specifically at its impact on EU countries and the link with the Sovereign Debt Crisis in Europe.

Readings: TBD.

Attendance and Participation
Attendance at all classes is required to all students. Students are expected to arrive at class on time, having completed the day’s 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. Any change in status which will result in absence, the student must contact me 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 my convenience. 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.

Grades

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.”

Grades Chart:

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<thead>
<tr>
<th>Grade</th>
<th>Score</th>
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<tbody>
<tr>
<td>A</td>
<td>957 up</td>
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<tr>
<td>A-</td>
<td>914 up</td>
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<tr>
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<td>871 up</td>
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<tr>
<td>B</td>
<td>828 up</td>
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<td>785 up</td>
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<td>C+</td>
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<tr>
<td>C</td>
<td>699 up</td>
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<tr>
<td>C-</td>
<td>656 up</td>
</tr>
<tr>
<td>D+</td>
<td>613 up</td>
</tr>
</tbody>
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BIO – Piero Pasotti

Piero Pasotti got his Ph.D. and MSC in Economics from the University of Siena. His primary area of research is the Economic Analysis of Law with special reference to Corporate Governance issues. He conducted his research activity as a visiting scholar at the Fordham Law School and at the University of Hamburg Institute for Law and Economics and regularly presented his research activity at the annual meetings of the American Law and Economics Association, the European Association for Law and Economics, the Italian Society for Law and Economics and the Spanish Law and Economics Association.

Piero had been for many years Adjunct Lecturer or Economics, Finance and Economics Analysis of Law at the University of Bologna. He had also been Adjunct Professor of International Economics at Johns Hopkins School of Advanced International Studies.