COURSE NUMBER: IBUS4402.10 (CRN 56413)  SEMESTER: Fall 2013

COURSE TITLE: Managing in Developing Countries

PROFESSOR: Meghana Ayyagari, Associate Professor of International Business

CLASS MEETING
TIME AND PLACE: Section 10: Tuesdays/Thursday at 11:10 – 12:25 PM, Duques 152

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OFFICE HOURS: Thursdays 2:00 – 4:00pm and by appointment

COURSE DESCRIPTION:
In an increasingly globalized and interdependent world, managers are being required to expand their skill set to deal with new challenges that include working with and in emerging and developing countries. Although best practice in terms of finance and management may be a global good, much of the challenge in operating in emerging economies revolves around understanding and appreciating the differences in institutional environments between developing economies and say OECD countries. Traditional business curriculum however is founded on theory and research generated in developed countries, where political, economic, legal, and social institutions generally are formalized, well-developed, and stable. By contrast, institutions in developing countries are often informal, in transition, or even non-existent.

Thus this course is designed to train managers in aspects that complement their traditional business or international affairs curricula to enable them to successfully contend with the developing country institutional environment. First we “set the stage” by defining institutions and historical legacy issues. Next we analyze the roles played by the public, private, and third sectors in developing countries. We then discuss in detail the institutional challenges in developing countries and managerial responses. Specifically, we examine firm strategy and managerial action in response to weak governance and property rights, political and economic risk, under-developed natural, physical, and commercial infrastructure, differing finance and
labor market institutions. We also focus on the domestic responses to these institutional challenges.

This learning will be facilitated by discussion of readings, cases, current issues in international business. The goal is to not be an expert in any one country or region but to be able to apply the theoretical concepts discussed in class to analyze real world problems across many countries, markets, and firms.

**COURSE OBJECTIVES:**

*By the end of the course, student should be able to…*

1. Define the term “institution” and explain how the word has been defined and used in various fields,

2. Describe how history shapes the scope, nature, and efficacy of institutions in developing countries,

3. Identify the roles played by the government and the private sector, including multinationals, non-profits, and NGOs, in developing countries,

4. Explain and provide detailed examples of how institutions in developing countries both constrain and provide opportunities for organizations and managers,

5. Apply the theoretical concepts and principles discussed in class to analysis of real world problems faced by organizations and managers in developing countries,

6. Converse intelligently with their counterparts, strategic investors, government officials, and business leaders on the policy problems facing many developing countries.

**PEDAGOGY:**

All course materials can be found either on the Blackboard web site or at [http://www.study.net](http://www.study.net). You must use a credit card to purchase access to the study.net materials. This one-time fee will allow you to access materials electronically and print them. You also may pay a small fee to have study.net mail you a printed and bound copy of course materials. It is expected that each of you will buy access to the study.net materials, respecting the intellectual property of the authors.

Some class materials will require the student have access to an electronic media player, such as RealPlayer (free download available at [http://www.real.com/](http://www.real.com/)). Make sure you get access to this early in the semester so that you can access the radio and video segments that are required class preparation materials.

In-class instruction will include a combination of lectures, discussions of assigned readings, cases on managing in developing countries, and in-class activities. Articles in the business press will be used extensively to facilitate discussion on real-world issues. The lecture notes for each class will be on Blackboard. The slides will not be complete, and you are required to attend class
and take notes in order to fill in the incomplete slides based on class discussion. Some slides may be missing altogether, so there is no good substitute for attending and taking good notes.

GRADING:
Mid-term and Final Exam 40%
Country Institutional Analysis and Presentation (group) 30%
2 Case Write-Ups 20%
Class Participation 10%

EXAMS
You will take two exams in this course, both closed book. The exam will consist of (1) define and give an example questions and (2) short-answer questions.

COUNTRY INSTITUTIONAL ANALYSIS & PRESENTATION
At the beginning of the semester, you will select a developing country to study in detail in this course. No group in the course may choose the same country, and all country selections require the approval of the professor.
The country project consists of four steps:
(1) Country Institutional Overview – You will first gather basic descriptive and statistical data about your assigned country. Your final product should be 1-2 pages of block text and a few pages of data tables and/or charts. You will be given detailed instructions for how to complete this assignment in class. Submit your country institutional overview before class begins the day it is due.
(2) Country Reflections 1-3 – You should select a country-specific reflection question to research and answer (these can be found in the hard-copy and Blackboard syllabus outline on scheduled days). Reflection question answers should consist of 2-3 pages of block text and include a full references list (references should be numerous and from varied disciplinary sources). You will be given detailed instructions in class for how to research and complete these reflection questions.
(3) Identification of Business Opportunity – The final piece of your country analysis will involve addressing a strategic question from the point of view of a particular firm or possibly some other type of organization such as an NGO or government agency. I would like each group to identify a specific “business opportunity” that they might like to implement in their chosen country. The term “business opportunity” should be interpreted broadly – it could be an entrepreneurial venture, expansion of an existing western business model, or even a development project with no profit and only social goals. A successful project will include relevant background information about the firm, the project/investment of interest, analysis of the firm’s possible actions should follow, based on the strategic concepts we have developed in the course. A very successful project will manage to explain why there is an opportunity that hasn’t been taken advantage of in the past, and will have anticipated the non-market challenges that the opportunity will face and state the possible strategic responses to those challenges.
(4) Presentation in Class of the final county institutional profile - You will receive detailed feedback from your professor on your country institutional overview as well as the three reflections. Read over these comments and suggestions carefully. Then, following the directions you will be given in class, weave together revised versions of all of these assignments into a final county institutional profile paper (inclusive of an introduction and conclusion paragraphs/sections) and you will be presenting this in class.

These assignments should be something that you are very proud of; it represents your ability to understand and apply course concepts to a particular country. As such it is expected that you will craft a professionally composed document, using the best grammar, formatting, and diction possible. You should use this opportunity to demonstrate your ability to gather and synthesize rich, diverse resources across a wide variety of disciplines and publications. The more effort you put into research and reading before this assignment the more valuable your final written product. Grades for these assignments will be based on the (1) depth, diversity, and breadth of resources gathered for the assignment, (2) rigor of analysis, (3) applications of course terms and concepts, and (4) professionalism in grammar, formatting, and diction.

CASE WRITE-UPS: Your group will be responsible for two case write-ups and for one of which you will lead the class discussion on the case. This may or may not involve a presentation. Additional guidelines will be provided on Blackboard.

CLASS ATTENDANCE, PREPARATION, AND PARTICIPATION:
Since there is no assigned textbook for this class, your learning in this class will significantly depend on your class preparation and that of your fellow students and the quality of in-class discussions. Thus, attendance is not optional and class room participation and involvement is essential. If you are not present, you cannot participate. Everyone must be ready and willing to take part in this discussion. Students should anticipate being called on at random, and attendance at all classes is expected.

I expect all students to spend a couple of hours before every class completing the required readings and cases, and review of specific questions and concerns relating to the case. Please be prepared to go beyond mere recitation of the presented material. It is important to analyze the institutional weakness being discussed, evaluate the course of action proposed in the case, develop alternative courses of action, and select a recommended strategy. Students will also be expected to intervene in the discussion to challenge the proposals of other strategists.

As long as you have invested quality time in the readings and worked through the questions, you will almost certainly have valuable contributions to make during the discussion. I consider good participation to consist of:
1. Attending class regularly (and on time), missing no more than three classes in the course.
2. Actively participating in in-class activities. This involves raising your hand several times in class to ask critical questions pertinent to the discussion and provide commentary based on preparation materials and lecture.
3. Demonstrate that you are engaged and focused on class discussion by making regular eye contact with the professor and building on comments that the professor and other students make during class discussion.

4. Providing thoughtful and constructive input to each class discussion. In this regard I will look for
   a. Do the points go beyond recitation of the case facts?
   b. Is there evidence of analysis and insight to back up statements?
   c. Are the implications of facts clearly drawn and stated?
   d. Do comments further the class understanding of issues discussed?
   e. Does the analysis make use of models and techniques from the readings?
   f. Are comments made in a professional and constructive manner?

Simply being present does not warrant full credit, nor does frequent participation that does not advance the learning of the class. However, do not be discouraged if, after the first few classes, you have yet to participate much. If you feel that you are preparing well but not being called on enough, please let me know so that I can address the problem.

PEER EVALUATION - Each student is required to complete a single peer evaluation form indicating the levels of contributions and commitment of each member of their group on the country institutional analysis and case write-ups. Evaluations are confidential and will not be seen by your team members and should provide your frank and independent assessment. A blank template of the peer evaluation in Excel is available on Blackboard.

*Formatting Issues for All Assignments* - Block text should be used in all assignments (single space paragraphs with a space between each paragraph). Characters should be no less than 12 point font. Margins should be no less than one inch on all sides. All in-text citations should use parenthetical endnotes; a full references list should be attached at the end of the installment. ASSIGNMENTS FAILING TO MEET THESE CRITERIA WILL RECEIVE A GRADE OF A ZERO.

OTHER COURSE POLICIES:

**Group management:** Each member is expected to contribute to the assignments. Please allocate work and set early deadlines to avoid free rider situations. Please voice significant concerns regarding group member contributions early on, not at the end of the semester. A lack of contribution to the assignments or project can result in 0 points on the assignment.

**Laptops**
I would like to allow you to use your laptops in class for note-taking. However in return I ask that you turn off instant messaging, chatting, email and browsing features during the class period. No email, surfing the web, sending text messages, or working on other class assignments during class. Please be respectful of me and your fellow classmates and use your laptops and other electronics judiciously. Please bear in mind that cold-calling is fair game at any point during class. If you are unable to respond or provide a far less than satisfactory response, your participation grade will be seriously affected.
Course Grievance Procedures
The grading policy of this course is not open to negotiation. However, if you feel that a grade you received is unfair, you are required to either voice your opinion to me personally within ten days of receiving the grade or give me a written appeal as to why you think the grade is unfair. Just stating that you ‘deserve’ a higher grade won’t be sufficient. You should document reasons why you think the grade is unjustified. After ten days, the grade is considered final. Please note that the entire document will be checked for grading errors, and correcting these could either raise or lower the overall score.

Academic dishonesty
Academic dishonesty is defined as cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. The University's Code of Academic Integrity is designed to ensure that the principles of academic honesty and integrity are upheld. All students are expected to adhere to this Code. All acts of academic dishonesty will be dealt with in accordance with the provisions of this code. Please visit the following website for more information on the University's Code of Academic Integrity: http://www.gwu.edu/~ntegrity/code.html

Student Disabilities
Any student who feels s/he may need an accommodation based on the impact of a disability should contact the instructor privately to discuss specific needs. Please contact the Disability Support Services office at 202-994-8250 in the Marvin Center, Suite 242, to establish eligibility and to coordinate reasonable accommodations. For additional information, please refer to: http://gwired.gwu.edu/dss/.

Classroom Emergency Preparedness and Response Information
Please consult the following link for http://gwired.gwu.edu/upd/ GWU emergency procedures. Campus police telephone numbers are: GW Campus Police (Emergency) Foggy Bottom – 202.994.6111 GW Campus Police (Non-Emergency) Foggy Bottom – 202.994.6110 GW Campus Advisories is the University’s principle method used for communicating incident-related information, including class cancellations, to the GW community. Visit www.CampusAdvisories.gwu.edu to sign up for Alert DC (text message alerts) and download GW Alert (desktop notifications). In addition, the University posts recorded messages on the GW Info line 202.994.5050.

Office Hours
Please take advantage of my office hours. Feel free to stop by to discuss topics discussed in class, career choices, or just to introduce yourself and chat. If you are not on campus during my office hours you are welcome to send me an email and set up an appointment. Please don’t wait till the end of the semester if you are having problems in the class or outside, that may be preventing you from coming to class or paying attention.
## Tentative Schedule (Detailed Reading Lists on Blackboard)

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<th>Class #</th>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Tuesday</td>
<td>8/27/2013</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>Thursday</td>
<td>8/29/2013</td>
<td>What are institutions?</td>
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<tr>
<td>3</td>
<td>Tuesday</td>
<td>9/3/2013</td>
<td>How Historical Legacies Shape Institutions</td>
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<tr>
<td>4</td>
<td>Thursday</td>
<td>9/5/2013</td>
<td>Sector Roles in Developing Countries – The Government, The Market, NGOs, Grass-Roots Movements</td>
</tr>
<tr>
<td>5</td>
<td>Tuesday</td>
<td>9/10/2013</td>
<td>COUNTRY INSTITUTIONAL OVERVIEW (PART I OF PROJECT) IS DUE. Post your report to Blackboard Assignments before class and please bring a hard copy to class.</td>
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<tr>
<td>6</td>
<td>Thursday</td>
<td>9/12/2013</td>
<td>Political and Economic Risk</td>
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<tr>
<td>7</td>
<td>Tuesday</td>
<td>9/17/2013</td>
<td>Political and Economic Risk</td>
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<td>8</td>
<td>Thursday</td>
<td>9/19/2013</td>
<td>Property Rights</td>
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<td>9</td>
<td>Tuesday</td>
<td>9/24/2013</td>
<td>Property Rights</td>
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<td>10</td>
<td>Thursday</td>
<td>9/26/2013</td>
<td>Corruption</td>
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<td>11</td>
<td>Tuesday</td>
<td>10/1/2013</td>
<td>Firm Strategy in Corrupt Environments</td>
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<td>12</td>
<td>Thursday</td>
<td>10/3/2013</td>
<td>Infrastructure</td>
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<tr>
<td>13</td>
<td>Tuesday</td>
<td>10/8/2013</td>
<td>Infrastructure</td>
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### CASE: BRAC and Aarong Commercial Brands

COUNTRY REFLECTION QUESTION 1 DUE
Select ONE of the following reflections to research and write about for your assigned developing country. Post your reflection to Blackboard Assignments before class.

1. How do institutional weaknesses create or exacerbate governance problems in your assigned country?
2. How do institutional weaknesses create or exacerbate political risk in your assigned country?
### COUNTRY REFLECTION QUESTION 2 DUE
Select ONE of the following reflections to research and write about for your assigned developing country. Post your reflection to Blackboard Assignments before class.

1. How do institutional weaknesses create or exacerbate property right risks in your assigned country?
2. How do institutional weaknesses create or exacerbate corruption problems in your assigned country?
3. How do institutional weaknesses create or exacerbate weak infrastructure in your assigned country?

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<td>14</td>
<td>Thursday</td>
<td>10/10/2013</td>
<td>Mid-term exam</td>
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<td>15</td>
<td>Tuesday</td>
<td>10/15/2013</td>
<td>Finance and Growth</td>
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<tr>
<td>16</td>
<td>Thursday</td>
<td>10/17/2013</td>
<td>Finance and Growth</td>
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<tr>
<td>17</td>
<td>Tuesday</td>
<td>10/22/2013</td>
<td>Finance and Firm Size/Microfinance</td>
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<td>18</td>
<td>Thursday</td>
<td>10/24/2013</td>
<td>Innovation</td>
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<tr>
<td>19</td>
<td>Tuesday</td>
<td>10/29/2013</td>
<td>Innovation</td>
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<td>20</td>
<td>Thursday</td>
<td>10/31/2013</td>
<td>Labor Market Institutions</td>
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<tr>
<td>21</td>
<td>Tuesday</td>
<td>11/5/2013</td>
<td>Labor Market Institutions</td>
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### COUNTRY REFLECTION QUESTION 3 DUE
Select ONE of the following reflections to research and write about for your assigned developing country. Post your reflection to Blackboard Assignments before class.

1. How do institutional weaknesses create or exacerbate access to finance issues in your assigned country?
2. How do institutional weaknesses create or exacerbate labor market problems in your assigned country?
3. How has innovation (radical or incremental) overcome institutional weaknesses in your assigned country?
4. How do business groups fill institutional voids and weaknesses in your assigned country?
5. How do diaspora groups fill institutional voids and weaknesses in your assigned country?

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<tr>
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<th>Topic</th>
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<tbody>
<tr>
<td>22</td>
<td>Thursday</td>
<td>11/14/2013</td>
<td>Business Groups</td>
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<td>23</td>
<td>Tuesday</td>
<td>11/19/2013</td>
<td>Business Groups</td>
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Potential Guest Speaker from Tata Group

24 Thursday 11/7/2013 Final Country Institutional Project is Due. Student Presentations of Country Project.
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<tr>
<td>25</td>
<td>Tuesday</td>
<td>11/12/2013</td>
<td>Final Country Institutional Project is Due. Student Presentations of Country Project.</td>
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<td>26</td>
<td>Thursday</td>
<td>11/21/2013</td>
<td>NGO Role</td>
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<td><strong>CASE:</strong> Cacao Bean Farmers make a Chocolate-Covered Development Climb</td>
<td>Professor Kevin Healy, author of the Cacao case will be in class as Guest Speaker</td>
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<tr>
<td>27</td>
<td>Tuesday</td>
<td>11/26/2013</td>
<td>Social Entrepreneurship</td>
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<td></td>
<td>Thursday</td>
<td>11/28/2013</td>
<td>Thanksgiving Holiday</td>
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<td></td>
<td>Tuesday</td>
<td>12/3/2013</td>
<td>Make-up Day (NO CLASSES)</td>
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<td>28</td>
<td>Thursday</td>
<td>12/5/2013</td>
<td>Review and Wrap Up</td>
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<tr>
<td></td>
<td>Thursday</td>
<td>12/12/2013</td>
<td><strong>University Scheduled Final Exam</strong> (Tentative and subject to change)</td>
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