IBUS 4402-10 (CRN# 64773) MANAGING IN DEVELOPING COUNTRIES
Fall 2014

PROFESSOR: Wade Channell, JD
OFFICE HOURS: By appointment
OFFICE: Reagan Building
PHONE: 202-712-1909
EMAIL: wchannell@usaid.gov, channell@gwu.edu

CLASS MEETINGS: Thursdays: 3:30-6:00 LOCATION: Funger 208

COURSE DESCRIPTION & OBJECTIVES

The majority of traditional Western business curriculum is founded on theory and research generated in developed countries, where political, economic, legal, and social institutions generally are formalized, well-developed, and stable. This course is designed to fill the gap that often exists between Western business education and managerial practice in developing countries, where institutions are often informal, weakly formalized, in transition—or even non-existent. The historical legacies of developing countries—their political, economic, legal, and social experiences—have given rise to these institutional forms. These institutions shape the strategies that firms employ and the actions that managers take in these environments.

This course is designed to train future managers to successfully recognize and contend with the developing country institutional environment. First we “set the stage” by defining institutions and legacy issues. We then discuss the roles played in society by the public, private, and third sectors in developing country institutions. Next, we turn to the managerial challenges posed by the institutional environments of developing countries. Specifically we examine firm strategy and managerial action in response to risk and crisis; weak natural, physical, and commercial infrastructure; and social challenges and social innovations in developing countries. We also address how the institutional environment impacts multinational enterprises and local firms in similar and different ways.

In this intensive seminar, significant student learning is garnered via careful preparation of outside reading materials drawn from a wide variety of academic disciplines, including anthropology, economics, finance, management, marketing, political science, and sociology. The instructor will facilitate in-class discussion and will provide seminar participants with an array of learning exercises including case discussions, role plays, and other experiential exercises to foster the application of course concepts.
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 “ideal” roles of the public, private, and citizen sectors and the reasons why these sector actors often are weak or fail in developing countries,
4. Explain why “sector blurring” often occurs in developing countries (e.g., why does the private and/or citizen sector often play the roles and fulfill the functions that the public sector typically performs in a more developed context, or developing country governments take on responsibilities met by the private sector in more developed countries?),
5. Identify the root institutional causes of the various topics addressed in the course (e.g., governance, political risk, economic risk, etc.),
6. Explain and provide detailed examples of how institutions in developing countries both constrain and provide opportunities for organizations and managers,
7. Apply the theoretical concepts discussed in class (e.g., institutional theory) to real problems plaguing organizations and managers operating in developing countries through the analysis of data, business cases, and other experiential exercises, and
8. Collect and synthesize secondary data from a wide variety of academic disciplines and media to generate an in-depth written institutional analysis of a particular developing country.

REQUIRED MATERIALS

Course materials are available on the class Blackboard website and at http://www.study.net. Materials that are available on study.net are indicated in the course outline with an asterisk. You must use a credit card to purchase access to the materials. This one-time fee will allow you to access materials electronically and print them. Alternatively, you may pay a small additional fee to have study.net mail you a printed and bound copy of course materials.

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/). 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.
COURSE REQUIREMENTS

Setting the Stage Reflection Paper 100 points (25%)
National Institutional Analysis Report Outline & Bibliography 100 points (25%)
National Institutional Analysis Report 160 points (40%)
Participation 40 points (10%)
TOTAL POSSIBLE POINTS 400 POINTS

OVERVIEW OF COURSE REQUIREMENTS

Managers are able to successfully navigate the challenges and opportunities in developing countries if they have an in-depth, multifaceted understanding of the business environment. Three key skills are necessary for achieving this success; they include:

- **Data Collection Skills** – gathering resources from a wide variety of disciplines and perspectives,
- **Data Synthesis Skills** – triangulating and integrating data from diverse resources to generate a coherent and concise description of the business environment, and
- **Application Analytic Skills** – applying knowledge gleaned from data collection and synthesis to real-world business situations and outlining actionable recommendations for managers.

The written assignments in this course offer the student the opportunity to cultivate these important international business skills. The assignments are progressive in nature. The first assignment, the “Setting the Stage Reflection Paper,” allows the student to integrate assigned readings concerning core class concepts. The final assignments enable the student to comprehensively apply class content to a developing country of the student’s choice, creating a national institutional analysis for that country.
Standard Requirements

Please use 12-point font and double spacing in this assignment. Margins should be one inch on all sides. All in-text citations should use parenthetical endnotes, with page numbers for specific citations, where appropriate; a full references list should be attached at the end of the assignment. Use the APA style guide to cite the sources (a good APA online guide can be found here: http://owl.english.purdue.edu/owl/resource/560/01/).

All reflections should be posted to Blackboard Assignments before class begins on the assignment due date.

Setting the Stage Reflection Paper (25%)

Reflecting on ALL of the assigned preparation materials (including readings, cases, web sites, videos, audio segments, and lecture material) regarding institutions, historical legacies, sector actors, and governance issues in developing countries, students should submit a 10-page paper to answer the following questions:

1. What are institutions, and why are they important for developing countries?
2. How do legacy issues (geographic, political, economic, and social historical experience) shape institutions in developing countries?
3. How do legacy issues determine the roles that the public, private, and third sectors play in a developing country’s institutional environment?
4. How do legacy issues affect how firms are governed in developing countries?

National Institutional Analysis Paper Outline & Bibliography (25%)

Students select a developing country at the beginning of the semester (PROFESSOR MUST APPROVE OF COUNTRY SELECTION BEFORE THIS ASSIGNMENT IS BEGUN). First, the student should read the National Institutional Analysis assignment description below and start thinking about the paper. We encourage students to meet with us to discuss this assignment. Our goal is to provide early feedback so that this project will be a rewarding learning experience.

Students collect bibliographical information related to the chosen country and the topics covered in the course. Each reference list should be multi-disciplinary and include the following AT MINIMUM:

- 1 personal interview with a person with expertise on your country
- 10 web sites
- 10 academic journal articles or policy publications (e.g. World Bank, think tank publications, etc).
- 15 business news articles (e.g. from Factiva, Lexis Nexis, etc.)
- Books, book chapters, video, and NPR segments wherever possible

After reading the collected material, students develop a full-sentence outline of the National Institutional Analysis paper. Outlines should be organized using the following format:
The Outline and Bibliography will be submitted twice, but a grade will be given only for the second submission. The first submission will allow us to provide comments on the approach and research. It is not expected to be fully developed given that much of the content will not have been covered by the first submission. The second submission should incorporate responses to any comments from the first.

**National Institutional Analysis Report (40%)**

Early in the semester, students will select a country that will become the focus of this comprehensive paper. (PROFESSOR MUST APPROVE OF COUNTRY SELECTION BEFORE THIS ASSIGNMENT IS BEGUN). In this assignment, the student examines how the institutional environment of their chosen country has given rise to the particular business-environment challenges we address in the course. Students will discuss how these business-environment challenges might affect firms and managers operating in that environment and outline a series of strategic recommendations for managers.

*Every effort should be made to incorporate class concepts into your write-up.* Students should think of this assignment as an applied comprehensive final exam. The final paper should be organized into the following five main sections:

I. **Introduction** – Summarize major course concepts; end with a thesis statement about how weak institutions and legacy issues have given rise to particular business-environment challenges in your assigned country. (approximately ½ page)

II. **Major Historical Legacies** – Briefly describe the major historical legacies that have affected the development of institutions in your assigned country. (approximately 2.5 pages)

III. **Sector Roles** – Briefly describe how historical legacies have affected the relative roles of the public, private, and third sector in your assigned country’s economy and society. (approximately 2.5 pages)
IV. **Institutional Analysis** - Explain how institutional weaknesses and legacy issues have given rise to:

A. (Pick a type of Risk and Crisis from the bulleted topics below – approximately 3 pages)

B. (Pick a type of Infrastructure Weakness from the bulleted topics below – approximately 3 pages)

C. (Pick a type of Social Challenge from the bulleted topics below – approximately 3 pages)

D. (Pick a type of Social Innovation from the bulleted topics below – approximately 3 pages)

<table>
<thead>
<tr>
<th>Risk and Crisis</th>
<th>Infrastructure Weaknesses</th>
<th>Social Challenges</th>
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<tbody>
<tr>
<td>Political Risk</td>
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<td>Human-Capital Risk</td>
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V. **Conclusions & Implications** – Summarize the thesis statement. Provide general recommendations for managers to help them cope with the challenges and leverage the opportunities of your country’s institutional environment. (approximately 5 pages)

**Participation (10%)**

The material presented in this course is additive in nature; each topic builds on the next. To insure that you are building a strong foundation throughout the course, we have very high expectations for your level of preparation for class. You are strongly encouraged to ATTEND ALL CLASSES. You are expected to have done more than just skim the reading for the day. We will call on students to provide an overview summary, critique, or analyze what you have been assigned to read for the day (articles, activities, and/or cases). We will score each of you individually after each class based on your participation for the day. We recognize that different personality types respond differently to various forms of participation. For those not given to traditionally extroverted measures, there will sufficient forms of participation to allow for less assertive styles.

**PROFESSOR’S POLICIES**

*Academic Integrity*. The professor will strictly abide by the academic integrity policies as stated at [http://www.gwu.edu/~ntegrity/code.html#definition](http://www.gwu.edu/~ntegrity/code.html#definition). 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. **ANY ASSIGNMENT INCLUDING PLAGIARIZED MATERIAL (see Academic Integrity Code for definition) WILL RECEIVE AN F. NO EXCEPTIONS WILL BE MADE.**

*Late Assignments*. **NO LATE ASSIGNMENTS WILL BE ACCEPTED** (*NOTE: 5 MINUTES LATE CONSTITUTES A LATE ASSIGNMENT – PLEASE MAKE ARRANGEMENTS TO TURN YOUR ASSIGNMENTS IN BEFORE THE DEADLINE TIME*). If you know you will be absent in class the day an assignment is due, you should plan on doing the work ahead of time and turning in the assignment early via email or fax. **THESE ALTERNATIVE METHODS OF TURNING IN ASSIGNMENTS SHOULD BE DONE BEFORE THE CLASS PERIOD**. Failure to turn in assignments before class will result in a zero for the assignment.

*Final Grades*. Final grades will reflect the student’s total points earned in the course. You will be able to track your points on the Blackboard gradebook. All grades are final. **THERE WILL BE NO EXTRA CREDIT OFFERED IN THIS COURSE.**
Grading Disputes. Mistakes in grading can happen. I will do my best to grade very carefully. However, if you believe that an error has been made in the grading of your work, you should submit a WRITTEN REQUEST for a grade change. This report should include a discussion of what you got wrong and why you believe you should have gotten credit for your work. Wherever possible, provide citations from the textbook or lectures. Attach this report to the original copy of your assignment or exam, and turn it in to the professor. I will try to give you a response as soon as possible.

Students with Disabilities. Any student who feels s/he may need an accommodation based on the impact of a disability should contact me 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/.
Emergency Preparedness and Response at The George Washington University

To Report an Emergency or Suspicious Activity
Call the University Police Department at 202-994-6111 (Foggy Bottom) or 202-242-6111 (Mount Vernon).

Shelter in Place – General Guidance
Although it is unlikely that we will ever need to shelter in place, it is helpful to know what to do just in case. No matter where you are, the basic steps of shelter in place will generally remain the same.

- If you are inside, stay where you are unless the building you are in is affected. If it is affected, you should evacuate. If you are outdoors, proceed into the closest building or follow instructions from emergency personnel on the scene.
- Locate an interior room to shelter inside. If possible, it should be above ground level and have the fewest number of windows. If sheltering in a room with windows, move away from the windows. If there is a large group of people inside a particular building, several rooms maybe necessary.
- Shut and lock all windows (for a tighter seal) and close exterior doors.
- Turn off air conditioners, heaters, and fans. Close vents to ventilation systems as you are able. (University staff will turn off ventilation systems as quickly as possible).
- Make a list of the people with you and ask someone to call the list in to UPD so they know where you are sheltering and who is with you. If only students are present, one of the students should call in the list.

- Await further instructions. If possible, visit GW Campus Advisories for incident updates (http://CampusAdvisories.gwu.edu) or call the GW Information Line 202-994-5050.

- Make yourself comfortable and look after one other. You will get word as soon as it is safe to come out.

Evacuation
An evacuation will be considered if the building we are in is affected or we must move to a location of greater safety. We will always evacuate if the fire alarm sounds. In the event of an evacuation, please gather your personal belongings quickly (purse, keys, GWorld card, etc.) and proceed to the nearest exit (the main staircase to the left of 258 AND the rightmost glass staircase to the right of 258). Do not use the elevator.
Once you have evacuated the building, proceed to our primary rendezvous location (in front of Starbucks in Gelman Library). In the event that this location is unavailable, we will meet at (the G street entrance to Lisner Hall).

Alert DC
Alert DC provides free notification by e-mail or text message during an emergency. Visit GW Campus Advisories for a link and instructions on how to sign up for alerts pertaining to GW. If you receive an Alert DC notification during class, you are encouraged to share the information immediately.

GW Alert
GW Alert provides popup notification to desktop and laptop computers during an emergency. In the event that we receive an alert to the computer in our classroom, we will follow the instructions given. You are also encouraged to download this application to your personal computer. Visit GW Campus Advisories to learn how.

Additional Information
Additional information about emergency preparedness and response at GW or the University’s operating status can be found on GW Campus Advisories (http://CampusAdvisories.gwu.edu) or by calling the GW Information Line at 202-994-5050.
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<tr>
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<th>TOPIC</th>
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<td><strong>SETTING THE STAGE</strong></td>
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  6. VIDEO: Interview with Daron Acemoglu regarding Why Nations Fail. http://www.youtube.com/watch?v=qNVeJRRzZ1s&feature=fvwrel | None        |
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<th>Class 3</th>
<th>Sector Actors: The Roles of the Public, Private, and Third Sector in Developing Countries</th>
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| Sep 11  | 1. Foreign Policy Magazine, *Failed States Index* (recently changed to Fragile States Index). Read the 2012 article on why states fail ([http://www.foreignpolicy.com/articles/2012/06/18/10_reasons_countries_fall_apart](http://www.foreignpolicy.com/articles/2012/06/18/10_reasons_countries_fall_apart)) and check out the 2014 Fragile States index ([http://ffp.statesindex.org](http://ffp.statesindex.org)). Check the methodology to understand where your own country ranks versus those at the bottom or very top of the list. Check the analysis for South Sudan (link in side-bar).


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<th>Governance</th>
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### Political Risk


5. WEB SITES - Visit the web site of Control Risks Group International at [http://www.crg.com](http://www.crg.com). What services does CRG offer? How might these services help foreign investors and local companies mitigate political risk in developing countries? Does CRG offer services for companies in your assigned country? Check out the Overseas Private Investment Corporation’s web site here: [http://www.opic.gov](http://www.opic.gov). What services do they offer US businesses to protect them from risk in developing countries?

### Economic Risk

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<td>Oct 9</td>
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3. De Soto, Hernando. 2000. "The Mystery of Missing Information," (Charts 2.2-2.4) in *The Mystery of Capital*. New York: Perseus Books Group, pp. 22-27. **Note the number of steps required to accomplish each goal stated at the top of each chart; skim the specifics in the charts.**


6. WEB SITE: Read about the TRIPS Agreement on the WTO website. Information can be accessed here: [http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm)


## INFRASTRUCTURE CHALLENGES

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| Class 10  
Oct 30 | **Social Divisions**  


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<tr>
<td>Dec 11 Sunday</td>
<td><strong>NATIONAL INSTITUTIONAL ANALYSIS PAPER DUE</strong></td>
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