Politics and Multinational Enterprises

IBUS 4900, Spring 2016
Professor Nathan Jensen
Class location: Funger 209

COURSE DESCRIPTION

In this class we will explore the literature in political science, management, and economics on the relationship between multinational enterprises and governments. The four main themes of the course are: 1) defining and understanding multinational enterprises, 2) governments attracting and competing for multinationals, 3) the impact of multinationals on economic development and groups within society, and 4) attempts to regulate multinationals both domestically and internationally.

COURSE OBJECTIVES

By the end of this course students will be able to analyze business and government relations from the perspectives of firms, governments, and societal actors. The specific objectives include:

- Understand how politics affects the investment decisions of multinational firms
- Identify the ways in which politics affects the operations of firms
- Articulate how “political institutions” shape the business environment for firms.
- Explain the types of strategies firms use to mitigate “political risk” or influence politics.
- Be able to support and defend arguments on if the overall impact of multinational enterprises on society is positive or negative. In what ways do they have a positive impact on development? What are the costs?
- List the different contemporary policy debates on the role of multinational corporations in society and the numerous government policies uses to attract investment.

PROFESSOR

Nate Jensen, PhD
Associate Professor of International Business
Office: Funger Hall Room 402 (outside of the International Business Department suite)
Office hours: Tuesday 11:30-12:30
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Nathan Jensen is a 2002 Ph.D. from Yale University. He joined the George Washington University’s School of Business in 2014 as an Associate Professor in the Department of International Business. Prior to joining George Washington University he was an Associate Professor in the Department of Political Science at Washington University in St. Louis, Fellow at the Center for Political Economy, and Director for the Program on Multinational Enterprises and the Global Economy at the Weidenbaum Center on the Economy, Government, and Public Policy at Washington University. He is the author of 30 peer reviewed articles and 2 books on the relationship between business and politics. He holds a BSB in Management, Economics, and Political Science from the University of Minnesota and a Ph.D. in Political Science from Yale University.
COURSE REQUIREMENTS

Readings:
The majority of the readings from this class are available on Blackboard. The course outline will include links to readings or have a PDF of the readings.

You are required to purchase an electronic course packet that includes the case studies for the course and some additional readings. The cost is roughly $25. You can find this packet at: https://cb.hbsp.harvard.edu/cbmp/access/43528977

Participation (10%)

In-class Midterm Exam (20%):
The midterm exam will consist of a number of short answer and essay questions. Students are expected to know the basic arguments from all readings and have the ability to synthesize these works in broad essays (e.g. summarize the impact of FDI on development).

Cumulative Final Exam (35%)
The final exam will consist of a number of short answer and essay questions. This is a cumulative exam during the scheduled final exam date.

Entrepreneurship Assignment (35%)

One major requirement in this course is an entrepreneurship assignment where you will combine a research project with creative solutions to a substantive problem in the global economy. You are to pick one of the four options handed out by Professor Jensen. The final paper project should be roughly ten pages, twelve point font, double spaced (excluding references). The assignment should be issue centered, where you’re not citing sources for the sake of showing you read a lot of stuff, but with the goal of introducing a problem and forwarding an innovative solution as clearly as possible. The entrepreneurship assignment is worth 35% of your final grade. 5% of your final grade will be based on a three-page research paper proposal. This proposal should identify your idea and cite at least five relevant sources. An additional 5% of your grade is based on a three-minute video presentation. You will film a short video that outlines your project. The final paper is worth 25% of your final grade and is due on April 19th.

Three Page Research Paper Proposal (March 29th) 5%
Video Presentation (April 19th) 5%
Final Paper (April 19th) 25%
TOTAL 35%

Guest Speakers

Being located in Washington DC gives us a unique opportunity learn in a traditional university setting while bringing in guest speakers that can address the academic and practical elements of this course. Most of these guest speakers will come in for no more than one hour of class time.
Policies

Academic Integrity (GW’s Official Policy)
The University community, in order to fulfill its purposes, must establish and maintain guidelines of academic behavior. All members of the community are expected to exhibit honesty and competence in their academic work. Incoming students have a special responsibility to acquaint themselves with, and make use of, all proper procedures for doing research, writing papers, and taking examinations. Members of the community will be presumed to be familiar with the proper academic procedures and held responsible for applying them. Deliberate failure to act in accordance with such procedures will be considered academic dishonesty. Acts of academic dishonesty are a legal, moral, and intellectual offense against the community and will be prosecuted through the proper University channels. Copies of the University Code of Academic Integrity can be obtained from all department chairs, all academic deans, the Registrar, and the Vice President for Academic Affairs.

This can also be found at: http://www.gwu.edu/~bulletin/grad/unrg.html.

Special Needs/Disability/Accommodation
Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to: http://gwired.gwu.edu/dss/
EMERGENCY PREPAREDNESS

Emergency Numbers
Foggy Bottom (GWPD) 202-994-6111
Mount Vernon (GWPD) 202-242-6111
Virginia Campus (Loudoun County) 911
Other Locations 911

Non-Emergency Numbers
Foggy Bottom (GWPD) 202-994-6110
Mount Vernon (GWPD) 202-242-6110
VSTC (Loudoun County) 703-777-0637
GW Information Line 202-994-5050
VSTC Information Line 703-726-8333

Fire
☐ Pull the fire alarm
☐ Leave the building immediately using the closest emergency exit, closing doors behind you
☐ Call GWPD (202-994-6111) or 911 when safe to do so
☐ Assemble in a designated area
   ☐ Re-enter the building only when instructed by officials
       • Do not assume an alarm is false
       • Do not use elevators
       • If unable to exit the building, go to the nearest exit stairwell or safe area of refuge and call
         GWPD (202-994-6111) or 911 to report your location
       • If trained, use a fire extinguisher if the fire is small and contained, and the room is not fill with
         smoke

Two emergency exits are located: Front and Back of Funger Hall  
Primary meeting area (near): Corner of 23rd and G Street, across street from Funger Hall  
Secondary meeting area (far): In the grassy area in Washington Circle (at 23rd and Pennsylvania)

Severe Weather
Thunderstorms are the most common type of severe weather in the Washington, DC  
metropolitan area. However, winter storms, extreme hot/cold temperatures, flooding, tornadoes  
and hurricanes can occur. Check CampusAdvisories.gwu.edu for up-to-date weather advisories  
and information.
   Shelter-in-place for severe weather events:
      ☐ Seek shelter indoors in a low part of the building
      ☐ Move to a windowless interior room away from hazardous materials
      ☐ Take cover under a sturdy object or against an interior wall
      ☐ Monitor Campus Advisories and local media
      ☐ Wait for the all clear before leaving your safe space

Violence/Active Shooter
If an active shooter is in your vicinity, call GWPD (202-994-6111) or 911 when it is safe to do so and provide information, including the location and number of shooter(s), description of shooter(s), weapons used and number of potential victims.

Evacuate: If there is an accessible escape path, attempt to evacuate the premises
- Have an escape route and plan in mind; leave your belongings behind; follow instructions of police officers

Hide Out: If evacuation is not possible, find a place to hide where the active shooter is less likely to find you
- Hide in an area out of the shooter’s view; provide protection; lock the doors; block entry to your hiding place; silence your phone; wait for law enforcement

Take Action: As a last resort and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the shooter by:
- Acting as aggressively as possible against him/her; yelling; throwing items and improvising weapons; and commit to your actions

Emergency Communications
CampusAdvisories.gwu.edu is the University’s primary website used for communicating emergency preparedness and incident-related information, including class cancellations, to the GW community.

GW Alert is a notification system that sends emergency alerts to email addresses and mobile devices. Students, faculty and staff are requested to maintain current contact information by logging into the GWeb Information System (banweb.gwu.edu). In emergency situations, alerts may also appear at the top of university webpages.

Local media, such as 103.5FM or WTOP.com, delivers additional community awareness.

The Office of Emergency Management, in collaboration with the Office of the Provost, Academic Year 2014-2015. This document and other resources are available on GW Campus Advisories
Class Schedule

January 12: Introductions
- Today we will cover the expectations from the class, hand out a brief paper survey

January 19: Overview: What are Multinational Corporations?
- Pankaj Ghemawat. 2007. Why the World Isn’t Flat. Foreign Policy 159: 54-60.

January 26: Why do firms become multinational? The OLI Framework.
**Guest Speaker:** Charles Stadtlander, Media Relations, Overseas Private Investment Corporation

February 2: Liability of Foreignness and Political Risk

February 9: Institutions and Risk
- Karl P. Sauvant. 2012. The Times They are A-Changin’ -- Again -- in the Relationships between Governments and Multinational Enterprises: From Control, to Liberalization to Rebalancing. FDI Perspectives.

February 16: Political Influence and Corruption and the Developing World


February 23: Efforts to Attract Investment/Midterm Review

*Guest Speaker:* Hans Theyer: Executive Director of Fairtrade America (Confirmed)

- Karl P. Sauvant and Padma Mallampally. 2015. Policy Options for Promoting Foreign Direct Investment in the Least Developed Countries.
- FDI Intelligence 2015. IPAs Must Take Off Their Blinkers.

March 1: Midterm Exam

March 8: Firms and Influence in Developed Countries

*Guest Speaker:* Wade Channell, Sr. Economic Growth Advisor for Gender, Office of Gender Empowerment and Women's Equality (Confirmed)

- Check out your representative: [http://www.opensecrets.org/](http://www.opensecrets.org/)

March 15: No Class (Spring Break)

March 22: The Impact of FDI on Development I

*Guest Speaker:* Kurt Olsson, Vice President of Business Development, DAI Consulting


March 29: Impact of FDI on Development II

**FINAL PAPER PROPOSAL DUE**


**April 5: Policy Issues: Tax Havens, Financial Incentives for Investment, and Trade Agreements**

*Guest Speaker: Thea Lee, AFL-CIO*


**April 12: Corporate Social Responsibility and Sustainability**

• V. Kasturi Rangan, Amy C. Edmondson, Daniel Beyersdorf, and Emer Moloney. 2013. Sustainability at Siemens. HBS Case. (COURSE PACKET)

• Francesca Gino, Michael W. Toffel, Stephanie van Sice. 2013. Fiji Water: Carbon Negative. HBS Case. (COURSE PACKET)

**April 19: Final Paper Due. Class wrap-up**

**FINAL EXAM (Based on GW Final exam schedule)**