

IBUS 269-10 (CRN# 25866) MANAGING IN DEVELOPING COUNTRIES
Spring 2007

PROFESSOR: Liesl Riddle, PhD
OFFICE HOURS: Mondays 6PM-7PM, T&TH 9AM-11AM and by appointment
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CLASS MEETINGS: Mondays 7:10PM - 9:40PM **LOCATION:** Phillips Hall, Room 109

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

- ✓ Understand the distinctions and similarities among developing nations.
- ✓ Assess the legacies that define nations and recognize how national legacies shape institutions.
- ✓ Understand how institutions in developing countries both constrain and provide opportunities for managers.
- ✓ Apply theoretical concepts to real developing-nation problems and situations through the analysis of data, business cases, and other experiential exercises.
- ✓ Acquire in-depth knowledge of the institutional environment and its impact on business activity in a particular developing country.
- ✓ Enhance the student’s ability to synthesize information from a wide variety of disciplinary perspectives and approaches.

REQUIRED MATERIALS

Course materials are available on the class Blackboard web site 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.

Additionally, one multimedia case (for the *Social Entrepreneurship* class day) will need to be purchased from Harvard Business Online (at <http://www.hbsp.harvard.edu/>). Two copies of the multimedia CD will be available in reserve at Gelman Library.

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

Periodic Reflections (<i>5 total; 4 collected @ 50 pts. each</i>)	200 points (40%)
Final Country Paper	200 points (40%)
Participation	100 points (20%)
TOTAL POSSIBLE POINTS	500 POINTS

GRADE	TOTAL POINTS	GRADE	TOTAL POINTS
A	465-500	C	365-384
A-	450-464	C-	350-364
B+	435-449	D+	335-349
B	415-434	D	315-334
B-	400-414	D-	300-314
C+	385-399	F	0-299

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 (periodic reflections and final country paper) in this course offer the student the opportunity to cultivate these important international business skills.

Periodic Reflections (40%)

Periodic reflection assignments allow students to apply concepts from institutional theory to the assigned multi-disciplinary course materials. *Reflection questions can be found at the end of the course syllabus (see “Reflection Questions” section) and on Blackboard.* Students are required to submit Reflection #1 and

then must complete THREE OF THE REMAINING FOUR reflections. Reflections are due at the beginning of the assigned class day (see “Class Outline” and “Assignment Due Dates” below – Reflection #1 is due at the beginning of class on 2/12). ALL REFLECTION ASSIGNMENTS MUST BE SUBMITTED THROUGH THE ASSIGNMENTS SECTION ON BLACKBOARD. The reflections questions concern the following:

- *Reflection #1 - Setting the Stage*: examines why institutions in developing countries are important and how historical legacies shape these institutions. It also explores how institutions affect the roles that the private, public and third sectors play in economy and society, how institutions in developing countries might give rise to corrupt behavior, and then outlines how firms/managers can successfully—and ethically—navigate a corrupt business environment. *All students are required to submit this reflection.*
- *Reflection #2 - Risk and Crisis*: investigates how institutions in developing countries might increase the risk that firms bear in this environment and identifies successful coping strategies for managers and firms to minimize these risks. The reflection covers political, economic, property-right and human-capital risk.
- *Reflection #3 - Infrastructure Weaknesses*: focuses on the reasons for underdeveloped--and non-existent--infrastructure in developing countries and the specific challenges and opportunities this problem poses for organizations and managers. The reflection specifically addresses physical, natural, and commercial infrastructure.
- *Reflection #4 - Social Challenges*: explores social issues (social divisions, education & health challenges), specifically how institutional weaknesses in developing countries foster these challenges and how these challenges impact firms and managers.
- *Reflection #5 - Social Innovations*: analyzes organizational and entrepreneurial responses to weak institutions and how these innovations may affect firms and managers in developing countries. The reflection specifically examines business groups, diaspora, and social entrepreneurship.

Throughout the semester, students will also be working on a cumulative paper that focuses on a particular developing country (see “Country Paper” below for more information). While the paper is not due until the end of the semester, students will be responsible throughout the semester for collecting bibliographical information related to their chosen country and the topics covered in the reflections. The reference list should be both multi-media and multi-disciplinary. *Each reference list should include the following*:

- Two to three web sites
- Two to three academic journal articles or policy publications (e.g. World Bank, think tank publications, etc).
- Two to four business news articles (e.g. from Factiva, Lexis Nexis, etc.)
- Books and book chapters wherever possible

Formatting Issues for Periodic Reflections- Please use block text in your reflection assignments (single space paragraphs with a space between each paragraph) with 12 point font. Margins should be no less than one inch on all sides. Assignments should be approximately 5 pages in length; this length **does not** include the country specific sources that must be collected and listed at the end of each reflection. All in-text citations should use parenthetical endnotes; 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/>).

Country Paper (40%)

Early in the semester, students will select a country that will become the focus of their final paper. The final paper gives students the opportunity to describe 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 ways to copy with these challenges.

Every effort should be made to incorporate class concepts into your write-up. The final paper should:

- ✓ Provide an overview of the national legacy issues associated with your assigned country
- ✓ Offer an in-depth analysis of the institutional environment in your assigned country
- ✓ Focus on at least one class topic under each of the latter four main class sections. The main class sections are represented by the boxes below and class topics are bulleted out in the boxes. Your paper must address at least one topic per box.

Risk and Crisis

- Political Risk
- Economic Risk
- Property-Right Risk
- Human-Capital Risk

Infrastructure Weaknesses

- Physical Infrastructure
- Natural Infrastructure
- Commercial Infrastructure

Social Challenges

- Social Divisions
- Education Challenges
- Health Challenges

Social Innovations

- Business Groups
- Diaspora
- Social Entrepreneurship

You will also be introduced to a wide variety of information sources that will be useful for this paper. Successful execution of the final paper will require extensive research from a wide variety of sources including books, academic and trade journals (e.g., ABI Inform and Business Industry databases), news periodicals (e.g., Lexis Nexis database), government sources (e.g., Department of Commerce, embassies, etc.), and internet sites. These information sources should be drawn from a wide variety of disciplinary perspectives (e.g, anthropology, economics, finance, management, marketing, political science, and sociology). You are also required to incorporate *personal interviews with at least one individual* from your assigned country into your report. As discussed in the section above, sources should be collected throughout the semester and included at the end of the periodic reflection assignments.

I encourage you to meet with me while you are working on your paper. My goal is to provide you with as much early feedback as possible so that this project will be a rewarding learning experience. You are strongly encouraged—but not required—to submit an outline to me by no later than April 25, 2007. This outline may be as detailed as you like; remember that the more detail you can give me, the more detailed my feedback can be to you.

Formatting Issues for Final Country Paper- The paper should be double-spaced with 12 point font. Margins should be no less than one inch on all sides. The paper should be approximately 25 pages in length. All in-text citations should use parenthetical endnotes; 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/>).

Participation (20%)

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, I 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. I 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). I will score each of you individually after each class based on your participation for the day.

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>. 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/>.

ASSIGNMENT DUE DATES

PERIODIC REFLECTION ASSIGNMENTS

Reflection #1: Monday, February 12th (*required*)

Reflection #2: Monday, March 19th

Reflection #3: Monday, April 2nd

Reflection #4: Monday, April 16th

Reflection #5: Wednesday, May 2nd

Must complete 3 out of 4

COUNTRY PAPER

Optional Outline: Wednesday, April 25th

Final Paper: Wednesday, May 9th (10:00AM)

CLASS OUTLINE

DATE	TOPIC	PREPARATION MATERIALS	ASSIGNMENT
SETTING THE STAGE			
1/22	Introduction: Institutions in Developing Countries	<ol style="list-style-type: none"> 1. Anonymous. 2002. "Building Institutions: Complement, Innovate, Connect, and Compete," <i>Building Institutions for Markets</i>, Washington, DC: World Bank: pp. 3-27. 2. Khanna, Tarun and Palepu, Krishna. 2005. "Spotting Institutional Voids in Emerging Markets," Harvard Business School Publishing Note 9-106-014: 1-11.* 3. Prahalad, C.K & Hart, Stuart L. 2002. "The Fortune at the Bottom of the Pyramid," <i>Strategy+Business</i> 26: 2-14. 4. AUDIO – Listen to 22 December 2005 <i>Morning Edition</i> segment, "Combating Afghanistan's Opium Problem through Legalization," here http://www.npr.org/templates/story/story.php?storyId=5065771. 5. (OPTIONAL) Anonymous. 2006. "A Survey of the World Economy," <i>The Economist</i>. 16 September. 	None
1/29	How Historical Legacies Shape Institutions	<ol style="list-style-type: none"> 1. Hausmann, Ricardo. 2001. "Prisoners of Geography." <i>Foreign Policy</i> 122 (Jan-Feb): 45-53. 2. Diamond, Jared. 2005. "One Island, Two Peoples, Two Histories: The Dominican Republic and Haiti," (Chapter 11) in <i>Collapse: How Societies Choose to Fail or Succeed</i>. New York: Viking Press: pp. 329-357. 3. Fukuyama, Francis. 1995. <i>Trust: Social Virtues and the Creation of Prosperity</i>. New York: The Free Press: pp. 61-67 & 83-95. 4. Riddle, Liesl. 2006. "Differences in Values among Managers in the Middle East." Invited contribution to the Women in International Trade quarterly newsletter, http://www.wiit.org/news/Spring2006/Spring2006.htm. 5. CASE - Pill, Huw and Courtenay Sprague. 1998. "Uganda and the Washington Consensus," Harvard Business Case 798047: 1-28.* 	None
2/05	Sector Actors: The Roles of the Public, Private, and Third Sector in Developing Countries	<ol style="list-style-type: none"> 1. Anonymous. 2005. "The Failed States Index," <i>Foreign Policy</i>, Issue 149, July/Aug, pp. 56-65. 2. Yergin, Daniel and Stanislaw, Joseph. 2000. "The Commanding Heights: The Battle Between Government and the Marketplace that is Remaking the Modern World," in Frank J. Lechner and John Boli (Eds.) <i>The Globalization Reader</i>. NY: Blackwell Publishers: pp. 212-220. 3. Riddle, Liesl and Gillespie, Kate. 2001. "Information Sources for New Ventures in the Turkish Clothing Export Industry," <i>Small Business Economics Journal</i> 20: 105-120. 	None

		<p>4. Doe, Jonathan P. 2003. "Nongovernmental Organizations, Corporate Strategy, and Public Policy: NGOs as Agents of Change. (Chapter 1) in Teegen, Hildy and Doe, Jonathan P. (Eds.), <i>Globalization and NGOs: Transforming Business, Government, and Society</i>. New York: Praeger Publishers, pp. 1-18.</p> <p>5. Emerson, Jed. 2003. "The Blended Value Proposition: Integrating Social and Financial Returns" <i>California Management Review</i> 45(4): 35-51.</p> <p>6. CASE – Quelch, John A. and Nathalie Laidler. 2003. "BRAC and Aarong Commercial Brands," Harvard Business School Case 9-504-0103: 1-22.*</p> <p>7. WEB SITE - Read more about the Failed States Index on the Fund for Peace web site. What was your country's ranking in 2006? Did your country's ranking change from 2005 to 2006? If so, why? Click here for information: http://www.fundforpeace.org/programs/fsi/fsindex.php</p> <p>8. AUDIO - Listen to the August 25, 2006 NPR <i>Morning Edition</i> segment, "Business, Politics Merge in Chinese Villages," at: http://www.npr.org/templates/story/story.php?storyId=5705167</p>	
2/12	Governance	<p>1. Baruch, Hurd. 1979. "Foreign Corrupt Practices Act," <i>Harvard Business Review</i> (Jan-Feb): 1-9.*</p> <p>2. Rachami, Jawad. 2003. "Institutionalized Corruption: An Instrument of Governance in the Middle East North Africa Region?" Washington, DC: Center for International Private Enterprise. 31 July: 1-5.</p> <p>3. Saffu, Yaw. 2003. "Who is for a Leadership Code with Teeth?" Washington, DC: Center for International Private Enterprise. 30 August: 1-6.</p> <p>4. Anonymous. 2002. "Brazilian Boardrooms," <i>McKinsey Quarterly</i>, 2:6.</p> <p>5. Handout. "Who Controls the World's Great Corporations."</p> <p>6. "Dealing with Bribery and Corruption: A Management Primer" Shell Oil Publication. – <i>Skim as example of management training material.</i></p> <p>7. MINI-CASE - Barnes, Louis B. and Sukhtian, Muna. 1997. "Khalil Abdo Group," Cambridge: Harvard Business Publishing: 1-6.*</p> <p>8. CASE - Bodrock, Paul. 2005. "The Shakedown," <i>Harvard Business Review</i> 83(3): 31-36.*</p> <p>9. WEB SITE - Visit Transparency International's web site at http://www.transparency.org. Surf the site for information about your assigned country. Where does your country stand on the Bribe Payers' Index? The Corruption Perceptions Index? etc.</p> <p>10. VIDEO – View October 2005 <i>Frontline World</i> video, "Peru –The Curse of Inca Gold," at</p>	<p>Reflection #1 (due at the beginning of class on 2/12). This reflection examines why institutions in developing countries are important and how historical legacies shape these institutions. It also explores how institutions affect the roles that the private, public and third sectors play in economy and society, how institutions in developing countries might give rise to corrupt behavior and then outlines how firms/managers can successfully—and ethically—navigate a corrupt business environment. <i>All students are required to submit this reflection.</i></p> <p><i>Specific reflection questions can be found in the "Reflection Questions" section at the end of the syllabus and in the "Assignments" section of Blackboard.</i></p>

<http://www.pbs.org/frontlineworld/stories/peru404/>

RISK & CRISIS

2/26	Property-Right Risk	<ol style="list-style-type: none">1. Li, Shaomin. 2004. "Why is Property Right Protection Lacking in China?: An Institutional Explanation" <i>California Management Review</i> 46(3): 100-114.*2. Kambil, Ajit; Victor Wei-teh Long; Clarence Kwan. 2006. "The Seven Disciplines for Venturing in China," <i>MIT Sloan Management Review</i> 47(2): 85-89.3. Pomerantz, William. 2004. "Whither Russian Property Rights," Center for International Private Enterprise Feature Report. Washington DC: CIPE: 1-3.4. De Soto, Hernando. 2000. "The Mystery of Missing Information," (Charts 2.2-2.4) in <i>The Mystery of Capital</i>. 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.5. Guest, Robert. 2004. "No Title," (Chapter 3) in <i>The Shackled Continent: Power, Corruption, and African Lives</i>. Washington: Smithsonian Books, pp. 73-86.6. Dutfield, Graham. 2004. "Does One Size Fit All? The International Patent Regime," <i>Harvard International Review</i> 26(2): 50-54.7. Beamish, Paul. 2005. "Note on International Licensing," London, Ontario: Ivey Business School Publishing: 1-20*8. 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.htm9. AUDIO - Listen to the August 23, 2006 NPR <i>Morning Edition</i> segment, "Chinese Crackdown Fails to Stem Counterfeit Goods," at: http://www.npr.org/templates/story/story.php?storyId=569320710. CASE - Quelch, John A. 1995. "Astra Sports (A)" Cambridge: Harvard Business School Publishing Case 595007: 1-3.*	None
3/05	Political & Economic Risk	<p><u>POLITICAL RISK</u></p> <ol style="list-style-type: none">1. Bremmer, Ian. 2005. "Managing Risk in an Unstable World," <i>Harvard Business Review</i> 83(6): 51-59.*2. Banerjee, Neela. 1995. "Ben & Jerry's Is Trying to Smooth Out Distribution in Russia as It Expands," <i>The Wall Street Journal</i>, 19 September: A18.3. Melahi, Kamel and Wood, Geoffrey T. 2003. "From Kinship to Trust: Changing Recruitment Practices in Unstable Environments," <i>International Journal of Cross-Cultural Management</i> 3(3): 369-382.	None

		<p>4. Sullivan, K. 2002. "Kidnapping is Growth Industry in Mexico," <i>The Washington Post</i>, 17 September: A1.</p> <p>5. The PRS Group. 2003. "Highlights," in <i>Country Forecasts</i>, Volume XXII, No. 1, April 2003, pp. ix-xxv. <i>Skim as an example of a political risk report.</i></p> <p>6. Control Risks Group. 2004. "Business and Bush Doctrine," in <i>Risk Map 2004</i>, pp. 4-6.</p> <p>7. WEB SITES - Visit the web site of Control Risks Group International at 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/. What services do they offer US businesses to protect them from risk in developing countries?</p> <p>8. (OPTIONAL) Listen to August 3, 2004, NPR <i>Morning Edition</i> segment, "Private Contractors Working in Iraq's War Zone" at http://www.npr.org/templates/story/story.php?storyId=3812783</p> <p><u>ECONOMIC RISK</u></p> <p>9. Barton, Dominic et al. 2002. "Surviving an Economic Crisis," <i>McKinsey Quarterly</i> 4: 48-63.</p> <p>10. Barton, Dominic et al. 2002. "How to Win in a Financial Crisis," <i>McKinsey Quarterly</i> 4: 77-85.</p> <p>11. Currie, DM. 2002. "Thailand – 1997" London, Ontario: Ivey Business School Publishing.*</p>	
3/19	Human-Capital Risk	<p>1. Amnesty International. 2000. "Amnesty International on Human Rights and Labor Rights" in Frank J. Lechner and John Boli (Eds.) <i>The Globalization Reader</i>. New York: Blackwell Publishers, pp. 126-133.</p> <p>2. Gillespie, Kate. 2004. "Ethical Products," in Kate Gillespie, Jean-Pierre Jeannot & David H. Hennesey (Eds.) <i>Global Marketing an Interactive Approach</i>. Boston: Houghton Mifflin, pp. 292-293.</p> <p>3. Pietra, Rivoli. 2005. "Sisters in Time," in <i>The Travels of a T-Shirt in the Global Economy: An Economist Examines the Market, Power & Politics of World Trade</i>. Hoboken, NJ: John Wiley & Sons, pp. 86-107.</p> <p>4. Brown, Joshua Samuel. 2004. "Confessions of a Sweatshop Monitor," in Jill Esbenshade (Ed.) <i>Monitoring Sweatshops: Workers, Consumers, and the Global Apparel Industry</i>. Philadelphia: Temple University Press, pp. 209-213.</p> <p>5. Huang, Yasheng. 2002. "Note on Conflict Diamonds: Why are Civil Wars Like Diamonds—Forever?" Harvard Business School Publishing Note 9-702-027: 1-7.*</p>	<p>Reflection #2 (due at the beginning of class on 3/19). This reflection investigates how institutions in developing countries might increase the risk that firms bear in this environment and identifies successful coping strategies for managers and firms to minimize these risks. The reflection covers political, economic, property-right, and human-capital risk.</p> <p><i>Specific reflection questions can be found in the "Reflection Questions" section at the end of the syllabus and in the "Assignments" section of Blackboard.</i></p>

		<p>6. CASE - De Bettignies, Henri-Claude; Downey, Liana. 2002. "Mobil in Ache, Indonesia (A)" Harvard Business School Publications Case IB40A: 1-15.*</p> <p>7. VIDEO – View February 2006 <i>Frontline World Fellows</i> video, "Colombia: The Coca-Cola Controversy," at http://www.pbs.org/frontlineworld/fellows/colombia0106/</p>	
INFRASTRUCTURE CHALLENGES			
3/26	Physical and Natural Infrastructure	<p><u>PHYSICAL INFRASTRUCTURE</u></p> <p>1. Kessides, Ioannis N. 2004. <i>Reforming Infrastructure: Privatization, Regulation, and Competition</i>. Washington DC: World Bank, pp. 1-27.</p> <p>2. Gooley, Toby B. 2002. "Stranger in a Strange Land," <i>Logistics Management and Distribution Report</i> 41(2): 47-50.</p> <p>3. Anonymous. 2005. "Calling across the Divide," <i>Economist</i>, 10 March.</p> <p>4. Samor, Geraldo. 2005. "Brazil is Driven to Bad Roads; Austerity to Woo Foreign Investors Hobbles Essential Services," <i>Wall Street Journal</i>, 25 May: A10.</p> <p>5. Listen to the June 9, 2004, <i>Morning Edition</i> segment, "Rebuilding Congo's Railroad." Also view the Photo Gallery, showing pictures of the rebuilding effort. Available at http://www.npr.org/templates/story/story.php?storyId=1950413.</p> <p><u>NATURAL INFRASTRUCTURE</u></p> <p>6. Millennium Ecosystems Assessment, 2005. <i>Ecosystems and Human Well-Being: Opportunities and Challenges for Business and Industry</i>. World Resources Institute, Washington, DC, pp. 24-29 (REQUIRED) & pp. 1-23 (OPTIONAL).</p> <p>7. Anonymous. 2004. "Chile Cuts Emissions, Helps Japan, Canada" <i>ABCNews.com</i> article, 3 January.</p> <p>8. AUDIO - Listen to the August 10, 2005 NPR <i>Morning Edition</i> segment, "Fisherman, Conservationists at Odds in Galapagos," at: http://www.npr.org/templates/story/story.php?storyId=4793575.</p> <p>9. AUDIO - Listen to the March 28, 2004, NPR <i>Weekend Edition</i> segment, "Latin American Cities: Santiago" available at http://www.npr.org/templates/story/story.php?storyId=1796810.</p> <p>10. CASE - Austin, James E. 2004. "Starbucks and Conservation International" Harvard Business School Publishing Case 303055: 1-28.*</p>	None
4/02	Commercial Infrastructure	<p>1. Freedman, Paul L and Click, Reid W. 2006. "Banks That Don't Lend? Unlocking Credit to Spur Growth in Developing Countries," <i>Development Policy Review</i> 24(3): 279-302.</p>	Reflection #3 (due at the beginning of class on 4/02). This reflection focuses on the reasons for underdeveloped--and non-existent--infrastructure

		<p>2. Chhetri, Ram B. 1995. "Rotating Credit Associations in Nepal: Dhikuri as Capital, Credit, Saving, and Investment," <i>Human Organization</i> 54(4): 449-453.</p> <p>3. Center for International Private Enterprise. 2006. "Believe in the Poor: The Future of Microfinance," Interview with Santiago Ribadeneira, Executive President of Banco Solidario, August 18, 2006.</p> <p>4. Chen, Raymond S. 2003. "Development of the Accounting Profession in Taiwan," <i>Journal of the American Academy of Business</i> 2(2): 288-292.</p> <p>5. CASE - Sahlman, William and Roberts, Michael J. 2003. "Endeavor: Determining a Growth Strategy" Harvard Business School Publishing Case 803126: 1-34.*</p> <p>6. WEB-SITES - View the World Bank's sample table, "WDI 2004 Table 5.1 Private Sector Development" at http://www.worldbank.org/data/databytopic/privatesector.html. Compare developing countries' levels of domestic credit to the private sector. Where does your country stand? Also, visit the IFC's "Enterprise Surveys: What Businesses Say" site which contains data on the investment climate in 71 countries. The site can be accessed here: http://www.enterprisesurveys.org/Default.aspx</p>	<p>in developing countries and the specific challenges and opportunities this problem poses for organizations and managers. The reflection specifically addresses physical, natural, and commercial infrastructure.</p> <p><i>Specific reflection questions can be found in the "Reflection Questions" section at the end of the syllabus and in the "Assignments" section of Blackboard.</i></p>
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SOCIAL CHALLENGES

4/09	Social Divisions	<p>1. VIDEO - View October 2003 <i>Frontline</i> video, "Rich in Russia," at http://www.pbs.org/frontlineworld/stories/moscow/index.html</p> <p>2. Baser, Didem Dincer; Farrell, Diana; and Meen, David E. 2003. "Turkey's Quest for Stable Growth," <i>McKinsey Quarterly</i> (Special Edition): 74-95.</p> <p>3. Solomon, Jay. 2002. "Muslims, Jews, Rebels Cooperate to Grow Bananas in Philippines," <i>Wall Street Journal</i>, 21 March: A1.</p> <p>4. Pope, Hugh. 2002. "For Saudi Women, Running a Business is a Veiled Initiative," <i>Wall Street Journal</i>, 2 January: A1.</p> <p>5. Reiter, Yitzak. 2004. "The Palestinian-Transjordan Rift: Economic Might and Political Power in Jordan," <i>Middle East Journal</i> 58(1): 72-92.</p> <p>6. Green, Matthew. 2005. "Mauritian Hopeful Vows to End 'Tyranny of History,'" <i>Reuters News</i> 9 June: 1.</p> <p>7. <i>Read one of the following two articles:</i></p> <ul style="list-style-type: none"> • Goff, Brent. 1994. "Reviving Crafts and Affirming Culture: From Grassroots Development to National Policy," in Charles David Kleymeyer (Ed.) <i>Cultural Expression and Grassroots Development</i>. Boulder: Lynne Rienner Publishers, pp. 121-134. • Wali, Alaka. 1994. "Living <i>with</i> the Land: Ethnicity and Development in Chile," in Charles 	
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		<p>David Kleymeyer (Ed.) <i>Cultural Expression and Grassroots Development</i>. Boulder: Lynne Rienner Publishers, pp. 167-178.</p> <p>8. MINI-CASE - "The Case of the Untouchable Water Carrier." 2002, in Austin and Kohn, <i>Strategic Management in Developing Countries</i>. New York: The Free Press, pp. 563-569.</p> <p>9. VIDEO - View August 16, 2005 <i>Frontline World</i> video, "This Land is Ours: Who Should Own Namibia's Farms," at http://www.pbs.org/frontlineworld/rough/2005/08/this_land_is_ou.html</p>	
4/16	Education & Health Challenges	<p><u>EDUCATION</u></p> <p>1. Robertson, Paul L. 2003. "The Role of Training and Skilled Labor in the Success of SMEs in Developing Economies," <i>Education and Training</i>, 45(8/9): 461-474.</p> <p>2. Cassidy, Thomas J. 2003. "Education in the Arab States: Preparing to Compete in the Global Economy," in Klaus Schwab & Peter Cornelius (Eds.), <i>The Arab World Competitiveness Report</i>. Geneva: World Economic Forum, pp. 218-234.</p> <p>3. Murray, Sarah. 2004. "Schools on a Mission to Teach," <i>Financial Times</i>, 11 December: D1.</p> <p>4. AUDIO - Listen to the February 22, 2005, NPR <i>All Things Considered</i> segment, "Egyptian Graduates Face Dim Job Prospects" available at: http://www.npr.org/templates/story/story.php?storyId=4508948</p> <p><u>HEALTH</u></p> <p>5. Perlman, Daniel, May 2004. "Casting a Wide Net: How NGOs Promote Insecticide-Treated Bed Nets," <i>USAID Global Development Alliance</i>, pp. 1-22.</p> <p>6. Anonymous. 2004. "HIV/AIDS & Work: Global Estimates, Impact, and Response," in <i>Global Estimates on the Impact of HIV/AIDS on the World of Work</i>, Geneva: International Labor Organization, pp. 16-28.</p> <p>7. CASE - Barrett, Diana; Ballou, Daniella. 2003. "Heineken NV: Workplace HIV AIDS Programs in Africa (A)" Harvard Business School Publications Case 303063: 1-14.*</p>	<p>Reflection #4 (due at the beginning of class on 4/16). This reflection explores social issues (social divisions, education & health challenges), specifically how institutional weaknesses in developing countries foster these challenges and how these challenges impact firms and managers.</p> <p><i>Specific reflection questions can be found in the "Reflection Questions" section at the end of the syllabus and in the "Assignments" section of Blackboard.</i></p>
SOCIAL INNOVATIONS			
4/23	Business Groups	<p>1. Khanna, Tarun and Palepu, Krishna G. 1997. "Why a Focused Strategy May be Wrong for Emerging Markets," <i>Harvard Business Review</i>, (July-August).*</p> <p>2. Mahapatra, Rajesh. 2006. "Wal-Mart to Open Retail Stores in India," <i>Yahoo! News</i>, November 27, 2006.</p> <p>3. Gibson, Ken. 2002. A Case for the Family-Owned Conglomerate," <i>McKinsey Quarterly</i> 4.</p> <p>4. Maman, Daniel. 2002. "The Emergence of Business Groups: Israel and South Korea Compared," <i>Organizational Studies</i> 23(5): 737-758.</p>	

		<p>5. CASE- Khanna, Tarun; Palepu, Krishna G.; and Wu, Melito Danielle. 1998. "The House of Tata—1995: The Next Generation (A)," Harvard Business School Case 798037: 1-18.*</p> <p>6. WEB SITE – Look at the web site of Koç Holding Company, one of the biggest conglomerates in Turkey, here: http://www.koc.com.tr/User/Default.aspx?LANGUAGE_CODE=EN</p>	
4/30	Diaspora Involvement in Economy & Society	<p>1. Riddle, Liesl. Under Review. "Engaging the Diaspora in Homeland Private-Sector Development," in Jennifer Brinkerhoff (ed) <i>Diasporas and Development</i>, New York: Lynne Rienner.</p> <p>2. Riddle, Liesl. 2006. "Homeland Export and Investment Promotion Organizations: Bridges to the Diaspora Business Community," Remarks from the United Nations Ad-hoc Expert Group Meeting on "Strengthening the Business Sector and Entrepreneurship in Developing Countries: The Role of Diasporas; 5 October: 46-49.</p> <p>3. Sheffer, Gabriel. 2003. "Trans-state Networks and Politics," in <i>Diaspora Politics: At Home Abroad</i>. Cambridge: Cambridge University Press, pp. 180-201.</p> <p>4. Brinkerhoff, Jennifer. 2004. "Digital Diasporas and International Development: Afghan-Americans and the Reconstruction of Afghanistan," <i>Public Administration and Development</i> 24(5): 397-413.</p> <p>5. AUDIO - Listen to five NPR segments, "Global Returns: US Immigrants Giving Back to their Homelands" here: http://www.npr.org/templates/story/story.php?storyId=5074138.</p>	
5/02	Social Entrepreneurship & Conclusion	<p>1. Bornstein, David. 2004. <i>How to Change the World: Social Entrepreneurs and the Power of New Ideas</i>. Oxford: Oxford University Press, pp. 1-10; 20-39; 126-145; 280-282.</p> <p>2. Austin, James E. & Grossman, Allen. 2002. "Pura Vida Coffee" (Multimedia Case). Harvard Business School Publishing Multimedia Case 9-303-051. This must be purchased at the following address: http://www.hbsp.harvard.edu/b01/en/home/index.jhtml?_requestid=41193 <i>There will also be two copies of the multimedia CD available in reserve at Gelman Library. MAKE SURE TO DOWNLOAD THE SPREADSHEET DATA (AVAILABLE ON THE LAST CONTENT PAGE OF THE CD), AND BRING YOUR SET OF FINANCIAL STRATEGY SCENARIOS TO CLASS FOR DISCUSSION.</i></p> <p>3. (OPTIONAL) Brinkerhoff, Derik W.; Brinkerhoff, Jennifer. 2005. <i>Working for Change: Making a Career in International Public Service</i>. West Hartford: Kumarian Press, Pp. 83-136 (two chapters).</p> <p>4. (OPTIONAL) Anonymous. 2005. "Beyond Grey Pinstripes 2005." World Resources Institute & The Aspen Institute's Business and Society Program.</p>	<p>Reflection #5 (due at the beginning of class on 5/02). This reflection analyzes organizational and entrepreneurial response to weak institutions and how these innovations may affect firms and managers in developing countries. The reflection specifically examines business groups, diaspora, and social entrepreneurship.</p> <p><i>Specific reflection questions can be found in the "Reflection Questions" section at the end of the syllabus and in the "Assignments" section of Blackboard.</i></p>
5/09	Final Papers Due	Final Papers must be submitted to the Assignments section of Blackboard by 10AM. No late	

		papers will be accepted.	
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Reflection Questions

Strong reflections incorporate all of the assigned preparation materials, including readings, web sites, videos, audio segments, and lecture material (where possible). Reflections should apply class concepts and terminology.

Reflection #1: (all students are required to complete this reflection)

1. How do legacy issues (geographic, political, economic, and social historical experience) shape institutions in developing countries?
2. How do legacy issues determine the roles that the public, private, and third sectors play in a developing country's institutional environment?
3. How do legacy issues affect how firms are governed in developing countries?
4. How might the institutional environment affect levels and nature of corruption in developing countries?
5. List your country-specific references for the following class topics: Institutions, Legacy Issues, Sector Actors, and Governance. Please refer to page 3 of the syllabus for the reference list requirements.

****COMPLETE THREE OUT OF THE NEXT FOUR REFLECTIONS****

Reflection #2:

1. How do institutional weaknesses create or exacerbate property-right risk in developing countries?
2. How do institutional weaknesses create or exacerbate political and economic risk in developing countries?
3. How do institutional weaknesses create or exacerbate human-capital risk in developing countries?
4. How can property-right, economic, political and human-capital risks affect firm strategies and/or managerial actions in developing countries? How do they create opportunities? How do they create threats?
5. List your country-specific references for the following class topics: Political, Economic, Property-Right and Human-Capital Risk. Please refer to page 3 of the syllabus for the reference list requirements.

Reflection #3:

1. How do institutions cause or exacerbate weak physical infrastructure in developing countries?
2. How do institutions cause or exacerbate weak commercial infrastructure in developing countries?
3. How do institutions cause or exacerbate weak natural infrastructure in developing countries?

(continued on next page)

4. How can weak physical, commercial, and natural infrastructure affect firm strategies and/or managerial actions in developing countries? How do they create opportunities? How do they create threats?
5. List your country-specific references for the following class topics: Physical, Natural and Commercial Infrastructure. Please refer to page 3 of the syllabus for the reference list requirements.

Reflection #4:

1. How do weak institutions cause or exacerbate social divisions in developing countries?
2. How do weak institutions cause or exacerbate education challenges in developing countries?
3. How do weak institutions cause or exacerbate health challenges in developing countries?
4. How can social divisions and education & health challenges affect firm strategies and/or managerial actions in developing countries? How do they create opportunities? How do they create threats?
5. List your country-specific references for the following class topics: Social Divisions, Education & Health Challenges. Please refer to page 3 of the syllabus for the reference list requirements.

Reflection #5:

1. How do business groups fill institutional voids and weaknesses in developing countries?
2. How do diaspora groups fill institutional voids and weaknesses in developing countries?
3. How do social entrepreneurs fill institutional voids and weaknesses in developing countries?
4. How can business groups, the diaspora, and social entrepreneurs affect firm strategies and/or managerial actions in developing countries? How do they create opportunities? How do they create threats?
5. List your country-specific references for the following class topics: Business Groups, Diaspora, and Social Entrepreneurship. Please refer to page 3 of the syllabus for the reference list requirements.