

PSCI 490/614/GGOV614
International Business and Development
Fall 2012

Professor H. Wang

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International business has long been a major force in world economy and politics. In the contemporary era – largely due to the acceleration of economic globalization – its influence has become even more salient. In the first part of this course, we will examine economic globalization and its impact on the development of different parts of world, especially the global south. Students will be introduced to contending perspectives on this topic. The second part of the course will focus on the evolution and consequences of international business operations in this age of globalization. We will use case studies to explore in detail the positive and negative consequences for multinational corporations on the host countries, the home countries, as well as the world in general. The goal of this course is to develop a nuanced and critical understanding of the differentiated impact that international business has had on the economy, society and politics of the world. At the end of the course, we will discuss ways in which major stakeholders can promote the positive impact of international business while ameliorating its negative impact on development.

Readings:

All students are required to read these textbooks:

Ian Goldin and Kenneth Reinert, *Globalization for Development*. (World Bank, 2007)

Betsy Rakocy, et al, *Real World Globalization*, 11th edition (Dollars and Sense, 2011)

Theodore Moran, *Foreign Direct Investment and Development* (Peterson Institute of International Economics, 2011)

Items marked with * are additional readings for students enrolled in PSCI614/GGOV614.

Requirements:

Attendance and participation: In-class discussion is an important part of learning in this course. There will be discussion periods during each class, based on the reading assignments and other materials we will cover.

Position papers: During the first half of the semester, we will examine contending perspectives on the impact of economic globalization on development. Each week we will explore the effect of one dimension of economic globalization on development. You will pick a topic from a given list and write a 2-page position paper. Your paper should

be based on the reading materials assigned for that week as well as other credible sources. Students will share their perspectives expressed in their papers in class.

Case study (for PSCI 490 students only): During the second half of the semester, we will focus on the role of multinational corporations – through foreign direct investment – in development. Each student will conduct a case study of a multinational corporation’s impact on some aspect(s) of development. You need to consult the professor regarding your case choice. You will present your case study in class. Please submit a complete draft of your case study by noon on the day before your presentation. After your presentation, you will have a chance to revise the case study. Your finalized case study should be about 15 double-spaced pages, including bibliography. It is due on Monday, December 3, 2012.

Research paper (for PSCI614/GGOV614 students only): You are required to write a theory-oriented paper on some aspect(s) of the relationship between international business and development. It should be based on independent research and should engage cutting-edge scholarly literature in this field. You need to consult the professor regarding your topic. You will present your paper in class. Please submit your draft paper by noon on the day before your presentation. After your presentation, you will have a chance to revise the paper. The revised paper should be 20-25 pages long (double-spaced), including bibliography. It is due on Monday, December 3, 2012.

Important: There will be no make up for missed assignments and no extension for paper submission, except under circumstances beyond your control (e.g., illness and other types of emergencies, for which you need to bring official documentation).

Grading:

Attendance and participation	20%
Position papers	30%
Presentation of case study or research paper	10%
Case study or research paper	40%

University policies:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. [Check www.uwaterloo.ca/academicintegrity/ for more information.]

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70, Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm. When in doubt please be certain to contact the department’s administrative assistant who will provide further assistance.

Discipline: A student is expected to know what constitutes academic integrity [check www.uwaterloo.ca/academicintegrity/] to avoid committing an academic offence, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course instructor, academic advisor, or the undergraduate Associate Dean. For information on categories of offences and types of penalties, students should refer to Policy 71, Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm. For typical penalties check Guidelines for the Assessment of Penalties, www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm.

Appeals: A decision made or penalty imposed under Policy 70 (Student Petitions and Grievances) (other than a petition) or Policy 71 (Student Discipline) may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72 (Student Appeals) www.adm.uwaterloo.ca/infosec/Policies/policy72.htm.

Note for Students with Disabilities: The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Schedule:

9/12 Introduction

Part I: Economic Globalization and Development

9/19 Overview

Goldin and Reinert, chapters 1-2

D&S, 1.4 (World is not flat)

D&S, 2.2 (World Bank and Enron)

D&S, 4.1 (IOs)

D&S, 4.3 (IMF and Argentina)

D&S, 4.4 (IMF and Ireland)

D&S, 7.1 (East Asia divergence and convergence)

D&S, 7.2 (measuring poverty)

*Kacowicz, A. (2007), “Globalization, Poverty and the North South Divide,” *International Studies Review*, 9, 3: 565-580.

9/26 Trade and Development

Goldin and Reinert, chapter 3

D&S, 1.2 (winners and losers of trade)

D&S, 4.2 (regional trade agreements)

D&S, 7.4 (agricultural subsidies)

D&S, 7.5 (agricultural subsidies)

D&S, 9.5 (US exports and Haiti)

*Bussiere, M., et al (2011), "Protectionist Responses to the Crisis: Global Trends and Implications" *World Economy* 34, 5: 826-852.

10/3 Finance and Development

Goldin and Reinert, chapter 4

D&S, 2.1 (money laundering)

D&S, 3.1 (exchange rate)

D&S, 3.2 (China's currency manipulation)

D&S, 3.3 (US deficit)

D&S, 3.4 (dollar anxiety)

D&S, 3.5 (bond market)

D&S, 10.1 (Global financial crisis)

D&S, 10.2 (future of dollar)

D&S, 10.3 (future of dollar)

D&S 10.5 (pool of money)

*Eichengreen, B. (2010), "The RMB as an International Currency," manuscript, UC Berkeley http://emlab.berkeley.edu/~eichengr/renminbi_international_1-2011.pdf

10/10 Aid and Development

Goldin and Reinert, chapter 5

*Carothers, T. (2009), "Democracy Assistance: Political v. Developmental?" *Journal of Democracy*, 20, 1: 5-19.

10/17 Migration and Development

Goldin and Reinert, chapter 6

D&S, 6.1 (right to stay home)

D&S, 6.2 (migrant workers in France)

D&S, 6.3 (Bolivian workers in Argentina)

D&S, 6.4 (migrant worker militancy)

*Sanderson, M. and Kentor, J. (2009), "Globalization, Development and International Migration," *Social Forces*, 88, 1: 301-336.

10/24 Ideas and Development

Goldin and Reinert, chapter 7

D&S, 1.1 (gospel of free trade)

D&S, 1.3 (index of economic freedom)

D&S, 7.3 (Grameen affirms neoliberalism)

D&S, 10.4 (index of economic freedom)

*McNeill, D. (2006), "The Diffusion of Ideas in the Development Theory and Practice," *Global Social Policy*, 6, 3: 334-354.

Part II: MNCs and Development

10/31 FDI in Extractive Industries and Infrastructure

Moran, chapters 2-3

- D&S, 2.5 (ASARCO going multinational for environmental reasons)
- D&S, 8.3 (oil companies)
- D&S, 8.4 (lithium in Bolivia)
- *Rudra, N. and Jensen N. (2011), "Globalization and the Politics of Natural Resources," *Comparative Political Studies*, 44, 6: 639-661.
- *Suborg, B. (2009), "Is It the 'Development of Underdevelopment' All Over Again? Internet Development in Vietnam," *Globalizations*, 6, 2: 225-247.

11/7 FDI in Manufacturing, Assembly and Services

- Moran, chapters 4-5
- D&S, 8.2 (tourism in Sri Lanka)
- *Felker, G. (2009), "The Political Economy of Southeast Asia's Techno-glocalism," *Cambridge Review of International Affairs*, 22, 3: 469-491.
- *Mihalache-O'keef, A., and Li, Q. (2011), "Modernization vs. Dependency Revisited: Effects of Foreign Direct Investment on Food Security in Less Developed Countries," *International Studies Quarterly*, 55, 1: 71-93

11/14 FDI and Host Country Development

- Moran, chapters 6-7
- D&S, 2.3 (MNCs in Colombia)
- D&S, 2.4 (Coke in Colombia)
- D&S, 5.6 (union-busting in Mexico)
- D&S, 8.1 (Agro-business and seeds)
- *Hale, G. (2008), "The Dog That Hasn't Barked: The Political Economy on Contemporary Debates on Canadian Foreign Investment Policies," *Canadian Journal of Political Science*, 41, 3: 719-747.

11/21 FDI and Home Country Development

- Moran, chapter 8
- D&S, 5.4 (impact of outsourcing)
- D&S, 5.5 (job loss)
- *Busemeyer, M. (2009), "From Myth to Reality: Globalisation and Public Spending in OECD Countries Revisited," *European Journal of Political Research*, 48: 455-482.

11/28 Conclusion

- Goldin chapter 8
- D&S, 5.1 (improve labor conditions)
- D&S, 5.2 (monitor labor conditions)
- D&S, 5.3 (prevent sweat shops)
- D&S, 7.6 (land reform in Nepal)
- D&S, 7.7 (Egyptian uprising)
- D&S, 8.5 (fight climate change)