**IB 460 – INTERNATIONAL BUSINESS IN EMERGING NATIONS**

Fall 2020

Monday, Wednesday, Friday

106 Business Bldg. 1:25 - 2:15 pm

Prof: Peter Mhando Phone: 814 865 0611

Smeal College of Business

Office: 315 Business Building Email: pxm269@psu.edu

Office hours: Tuesday 12:00 – 2:30pm via zoom

<https://psu.zoom.us/j/96517771443> and by Appointment

**Course Description**

This course provides an overview of international business strategies and economic environments of emerging nations. Specifically, this course focuses on business strategies of emerging Asian markets with special attention to China, India and countries of Southeast Asia and other emerging economies. A multidisciplinary approach is used to examine how emerging markets are different, and risks as well as challenges involved in these markets. This course uses a select group of other geographic areas and the United States as a basis for comparing these emerging business models. Course pre-requisites: ACCT 211, BA 301 or FIN 301. It is also recommended that student complete IB303 before taking this course.

**Books and Supplemental readings**

The required Reading Packet (**RP**) for the course can be purchased through the Penn State University Bookstore and [https://www.omeganotes.com/omega-app/ib-460-fall-2020-course-pack#/](https://nam01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.omeganotes.com%2Fomega-app%2Fib-460-fall-2020-course-pack%23%2F&data=02%7C01%7Cpxm269%40psu.edu%7C7cc0648bf2fb447df6c308d839871591%7C7cf48d453ddb4389a9c1c115526eb52e%7C0%7C0%7C637322599633928330&sdata=5mWH95UsU1itITi2B%2B4yZMw6WBdHQp0Tl%2BPdLrAnVwo%3D&reserved=0) . Other readings and cases will be made available on Canvas or handouts in class, as needed. Reading international articles in business publications will be helpful. The Economist, The Wall Street Journal and The Financial Times are some of the popular readings. Readings will at times be complemented by video clips on related subject matter.

Required Text:

Manktelow, Aidan (2014). *Guide to Emerging Markets: The Business Outlook, Opportunities and*

*Obstacles.* The Economist. PublicAffairs, New York.

Optional recommended text:

Guillen & Garcia-Canal (2013). Emerging Markets Rule: Growth Strategies of New Global Giants

Mc-Graw Hill, New York

Sharma, Suchir (2012). *BreakOut Nations: In Pursuit of the Next Economic Miracles.* New York.

London. W.W. Norton & Company.

Kose & Prasad Emerging Markets: Resilience and Growth Amid Global Turmoil (Chp. 13). Brookings

Institution Press (2010)

**Grading**

Course grades will be determined as follows:

First exam 25% Attendance & Participation 10%

Second exam 25% Group projects 15%

Weekly Quiz/Homework 20% Group class presentation 5%

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| --- | --- | --- | --- |
| A 93 -100 | B+ 87 - 89 | C+ 77 - 79 | D 60 - 69 |
| A- 90 - 92  | B 84 - 86 | C 74 - 76 | F Below 60 |
|  | B- 80 - 83 | C- 70 - 73 |  |

**Course Format and Instructors Expectations**

This course is interactive reading-discussion oriented, with lectures as necessary. It is thus your responsibility to read the assigned readings ahead of time and come prepared to class to actively engage in discussions and/or presentations. Failure to do so will result in grade penalty.

Furthermore, this class is premised on principles for “***Promoting a Vibrant Learning Culture***.” A vibrant learning culture with instructors and students energetically participating in the learning process requires dedicated interaction between the two. Whereas the instructor has the responsibility to apply effective teaching methods and learning tools, overall improvement in learning can take place only if the student responds responsibly to the instructor and applies the learning tools as instructed. Both quality teaching and quality learning requires hard work, diligence, and time commitment. Teamwork is especially important. In this regard, mutual respect among your peers is important.

ExamsThe two takehome essay/ short answers mid-term exams will be held during the weekends ending Friday, **Oct 9th** and Friday **Nov 20th**. A directive on the take home exam questions will be provided prior to exam datess. Please plan accordingly.

Quizzes/Homework

There will be weekly quizzes or take-home questions on coverage and readings. A drop-box will be set for each. In total there will be not less than **12 such tasks**. Your two lowest scores will be dropped. Thus, there will be no make-ups for missed quizzes/take-home questions.

Attendance and participation

Attendance is mandatory (physically, synchronous or asynchronous – as appropriate); a necessary but not sufficient condition to earn full grade in ‘attendance and participation’ category. Each student is encouraged to participate actively and engage in ***class discussions online***. You will be expected to come to the class prepared to engage your classmates in productive discussions. I will post discussion questions every now and then. Each student will respond to the question and comment/ respond to three other students’ posts.

Group Project

Students will be assigned in teams to each make a class presentation and written report (12-15 pages), on a course topic. A term paper guide/ rubric will be provided. Each group term paper topics will be approved on a first come basis, **no later than 9/30**. The **Term papers are due no later than 12/14.**

In-Class Conduct

You should expect to be treated with respect and you should also treat others with respect. Disruptive behavior in class include, but limited to, talking on the phone, using your laptop or tablet for purposes other than taking notes, engaging in private conversations, reading newspapers/magazines, arriving late or leaving early (without the instructor’s consent), as well as making rude and sarcastic comments will not be tolerated. The instructor will seek removal from the class those whose behavior is disruptive to learning, in accordance with laid down University policies. Please make sure your cell phone/ microphone is always off/ on silence during class (unless instructed otherwise).

**Course Schedule and Reading Assignments**

Aug 24**- Introduction & Overview**

Introduction – Guide to Emerging Markets

Defining Emerging Markets *The Economist* 10/7/17 Special report: Out of the traps

<https://www.economist.com/special-report/2017/10/07/defining-emerging-markets>

Aug 26 - 28 **– What are Emerging Markets? Emergence of Emerging Economies**

Guide to Emerging Markets – Chp 1 & 2; World in 2050 – The BRICS & Beyond (Canvas)

The World in 2050: Will the shift in global economic power continue? (Canvas) (Omega)

Aug 31 **– Emerging Economies: New Giants**

Guide to Emerging Markets – Chp 3

Kose & Prasad. What Explains the Resilience of Emerging Markets? (Omega)

**Video:** Hans Rosling – Let my Dataset Change Your Mindset

[http://www.ted.com/talks /hans\_rosling\_at\_state](http://www.ted.com/talks%09/hans_rosling_at_state)

Sept 2 **– Emerging Economies: Future Giants**

Eyring, Johnson & Nair (2011). New Business Models in Emerging Markets (RP)

Guide to Emerging Markets - Chp 5, 6, 7

**Video:** Robert Neuwirth: The power of the informal economy– TED Talk

**Sept 4** – **Emerging Economies: Strategies**

Khanna, Palepu & Sinha (2005). Strategies that Fit Emerging Markets (RP)

Guide to Emerging Markets – Chp 4, 8

Investing in Emerging Markets *The Economist* 2/2/17

**Sept 7-11 – Emerging Economies & the Global Economy**

Guide to Emerging Markets – Chp 9, 10

*The Economist* - When Giants Slow Down - 7/27/13; Out of Traps – 10/5/17; Middle Income Myths – 10/5/17. (Canvas).

[McKinsey Quarterly](https://www.mckinsey.com/quarterly/overview). *The* *tougher competitors in emerging markets*, March 20, 2019 (Canvas)

Sept 14 **– Established Emerging Markets**

Amazon in Emerging Markets (RP)

Sept 16 **–** Established Emerging Markets

Amazon in Emerging Markets (RP); Amazon – Australia; China etc. (Omega)

**Sept 18 –** Established Emerging Markets

Amazon in Emerging Markets (RP); Amazon – Australia; China etc. (Omega)

Sept 21 **– China: Why China**

Guide to Emerging Markets – China pp. 110 - 114

### **Video:** [Eric X. Li: A tale of two political systems](https://www.ted.com/talks/eric_x_li_a_tale_of_two_political_systems) – TED Talk

Sept 23 **– China: China Rising**

Tse. Is it Too Late to Enter China? (Canvas)

Hout & Ghemawati. China vs the World (Canvas)

**Sept 25 – Catering to China’s Diverse Appetites**

An Interview with Kang Shi Fu CEO, James Wei

Sept 28 **– India: Past & Future**

Transforming Indian Business from Local to Global (Canvas)

Guide to Emerging Markets – India pp. 115

Sept 30 **– India: Segmented Innovation**

Kumar (2012). Globally Segmented Innovation: How MNC Leverage Indian Talent (Canvas)

Video: Nirmalya Kumar – India’s invisible innovation (TED)

**Oct 2 – India: Frugal Innovation - Jugaad Solutions**

**Video:** [Navi Radjou: Creative problem-solving in the face of extreme limits](https://www.ted.com/talks/navi_radjou_creative_problem_solving_in_the_face_of_extreme_limits) (TED)

**Oct 5 – Global Players in Emerging Markets**

Haier in India: Building Presence in a Mass Market (RP)

Oct 7–Why this $4,000 Renault Is as Disruptive as the Tesla Model 3 [Omega]

**Oct 9** – KFC’s Radical Approach to China (RP)

**Exam 1 Oct 9 -11 (Due 11.59pm)**

Oct 12 **– Emerging Asia vs Europe**

Global lessons from Japanese & Korean Business Groups (Canvas)

Oct 14 – **Emerging Asia vs Europe**

Kose & Prasad. The Good & the Ugly: Emerging Asia and Emerging Europe In Emerging Markets: Resilience and Growth Amid Global Turmoil (Chp. 13). Brookings Institution Press (2010) - (Omega).

Guide to Emerging Markets – Emerging Asia pp. 130 -131, 147, 156 – 158.

Oct 16 - **Emerging Europe**

Poland – Twenty years with market Economy (Canvas)

Guide to Emerging Markets – Poland pp. 159

**Oct** 1**9**- **Singapore**

The Singapore Exception (Canvas);

Oct 21 – Embracing Chaos

Guillen & Garcia-Canal Axiom 4 – Embrace Chaos: learn and Profit from Adverse institutional

**Oct 23** – Disrupting the Model?

How GE is Disrupting Itself (RP)

Oct 26 – New Tigers: **Vietnam, Malaysia, Philipines, Thailand**

Asia’s next Tiger – Good Afternoon Vietnam - The *Economist* Aug 6 2016 (Canvas)

Break Out Nations - pg. 129 – 152 (Omega); 198 - 204 (Canvas)

Oct 28 **– Emerging Markets Ingenuity**

Kumar & Puranam. Visible Innovation: Frugal Engineering. In Inside India. Harvard Business Review Press (2012) – (Canvas)

**Oct 30 - Nov 2 –The Pioneers**

Who is Afraid of Huawei? *The Economist*, Aug 4 2012; China Trailblazers – The *Economist* Aug 6 2016

Uber Technologies, Inc.: Where Uber is Winning; Uber Focus; Uber Gives App; Uber India (Canvas)

**Nov 4, 6 Others** – **Middle East & North Africa**

Guide to Emerging Markets (Algeria, Egypt, Saudi Arabia); pp. 168 - 185

TBD (Canvas)

**Nov 9, 11** – **Others** - **Latin America**

Guide to Emerging Markets Argentina, Chile, Colombia, Mexico, Peru, Venezuela; pp 200 – 217

Mckinsey & Company. Unblocking the economic potential of Central America & the Caribbean (Canvas).

MSCI Emerging Markets Latin America Index (Canvas).

Guillen & Garcia-Canal. Axiom 1 Execute, Strategize, then Execute Again. (Canvas) (Omega)

Nov 13 – Heinz: Powering Growth in Emerging Markets (RP)

Axiom 5 – Acquire Smart in Guillen & Garcia-Canal (2013) pp. 117 -129 (Canvas)

Nov 16, 18, 20 – **Others - Africa**

Mckinsey & Company. Rethinkng the Africa business opportunity (Canvas).

Mckinsey & Company. Reopening and reimagining Africa:How the COVID-19 crisis can catalyze change (Canvas).

State of the Mobile Money Industry in Sub-Saharan Africa 2018 (Canvas).

Mobile money is only just starting to transform some of Africa’s markets (Omega).

Social Media influence in Africa’s Politics (Omega)

Guide to Emerging Markets: Egypt, Kenya, Nigeria, South Africa, pp. 175-177 & 188 -197

**NOV 24 – 30 THANKSGIVING BREAK**

**Nov 30 - Dec 4** Emerging Economies Special Issues

Eva Paus. Escaping the Middle-Income Trap: Innovate or Perish (Canvas).

[McKinsey Quarterly](https://www.mckinsey.com/quarterly/overview). *Unlocking the potential of emerging market cities*, Sept, 2012 (Canvas)

**Dec 7 - 11** Special Topics

The future of Emerging markets: Domestic Consumption (Canvas)

How can the economies of emerging Asia respond to COVID-19? (Canvas)

**Academic Integrity**

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University’s Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

* Any violation of academic integrity will be investigated and, where warranted, corrective academic and/or disciplinary action will be taken. For every incident where a penalty is assessed, an Academic Integrity Incident Report form must be filed. The form can be found on the Smeal College Honor and Integrity website: <http://ugstudents.smeal.psu.edu/honor>. This form is to be used for undergraduate courses. The report must be signed and dated by both the instructor and the student, and then submitted to Felisa Preciado Higgins, Associate Dean for Undergraduate Education, 202 Business Building.
* **University Policy G-9**

“Once a student has been informed that academic misconduct is suspected, the student may not drop the course during the adjudication process. The Dean of the College (UP) and/or the Chancellor (campuses) or his or her representative is responsible for notifying the Office of the University Registrar when academic misconduct is suspected in a course. Any drop or withdrawal from the course during this time will be reversed. A student who has received an academic sanction as a result of a violation of academic integrity may not drop or withdraw from the course at any time. These drop actions include regular drop, late drop, withdrawal, retroactive late drop and retroactive withdrawal. Any such drop action of the course will be reversed. This drop policy may be superseded in exceptional circumstances (i.e. trauma drop). In these cases, the Office of Student Conduct or the Student Conduct designee will confer with the Dean of the College (UP) or the Chancellor (campuses) or his or her representative to determine if the drop is warranted.

University Policy G-9    <http://undergrad.psu.edu/aappm/G-9-academic-integrity.html>

**Smeal Honor Code:**

*We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.*

**Plagiarism / Copying**

All work you submit for grading or academic credit is designed to reflect your knowledge and skill related to the course subject matter. Therefore, unless otherwise indicated, all work submitted is to be done on an individual basis. This includes but is not limited to all exams, quizzes, homework, papers, written assignments, and presentations.

Plagiarism is claiming work as your own that you have copied from another person, whether that other person knows about it or not. This includes copying from web sites without proper source citation and using homework or papers prepared by current or past students whether working as an individual or working in a group / team.

**Affirmative Action & Sexual Harassment**

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Related inquiries should be directed to the Affirmative Action Office, 328 Boucke Building.

**Students with Disabilities**

Penn State and the Smeal College of Business welcomes students with disabilities to all of its classes, programs and events. Student Disability Resources in Room 116 Boucke Building provides a vast array of services for students with disabilities according to mandates under Title II of the ADA amendments Act of 2008 and Section 504 of the Rehabilitation Act of 1973. For more information or to meet with a service provider from Student Disability Resources, contact them at (814) 863-1807 (V/TTY) or visit their website at: <http://equity.psu.edu/sdr>

In order to receive consideration for reasonable accommodations, you must contact the appropriate disability services office at the campus enrolled, participate in an intake interview, and provide documentation:<http://equity.psu.edu/sdr/applying-for-services>If the documentation supports your request for reasonable accommodations, the Student Disability Resources office will provide you with an accommodation letter. Please share this letter with your instructors and discuss the accommodations with them as early in the course as possible. Adjustments will be made based on the recommendations in the accommodation letter. You must follow this process for every semester that you request accommodations.

**PENN STATE VALUES**

Smeal’s Honor and Integrity Director, recommends including either option below as context prior to the required academic integrity statement and student disability statements set forth above. This IS not a formal syllabus requirement.

The Penn State Values (<http://values.psu.edu>) are our shared ideals about how people should act toward one another, the standards to which we hold ourselves, and those beliefs we find important. While aspirational in nature, the Penn State Values articulate our ethical principles and should guide our actions and decisions as members of the Penn State community, including in this course:

* **Integrity:** We act with integrity and honesty in accordance with the highest academic, professional, and ethical standards.
* **Respect:** We respect and honor the dignity of each person, embrace civil discourse, and foster a diverse and inclusive community.
* **Responsibility:** We act responsibly, and we are accountable for our decisions, actions, and their consequences.
* **Discovery:** We seek and create new knowledge and understanding, and foster creativity and innovation, for the benefit of our communities, society, and the environment.
* **Excellence:** We strive for excellence in all our endeavors as individuals, an institution, and a leader in higher education.
* **Community:** We work together for the betterment of our University, the communities we serve, and the world.

**PENN STATE HOTLINE**

Students can report issues and/or ask questions via phone at 1-800-560-1637 or online at [www.psu.edu/hotlines](http://www.psu.edu/hotlines)

**COVID MATTERS**

Class expectations are **aligned with University policy, that all students, faculty and staff:**

* Must wear face masks or other approved personal protective equipment in classrooms, labs, offices, and all buildings. Students and employees also should practice social distancing, avoid large gatherings and wear face masks while on campus, as well as within their local communities in line with local and state requirements.
* Maintain social distance of at least six feet from other individuals, whenever possible.
* Practice good personal hygiene by covering coughs and sneezes, staying home if sick, and washing hands thoroughly with soap and water or using hand sanitizer before and after class.
* Follow related guidance communicated by the University and via public postings/signage related to directional traffic flow, maximum occupancy of spaces, assigned seating, and closed-off desks/chairs/room sections.

With the exception of bottled water, all food and drink consumption is prohibited in classrooms. Those drinking water should be especially conscious of maintaining social distancing and minimizing the time their mask is moved aside; straws are recommended for this purpose.

These guidelines are meant to keep everyone safe and healthy. Adhering to the policies helps everyone get back to the campus life we want to have. Make it clear that the instructor and TAs will abide by the same policies.

**Correct compliance is IMPORTANT**.

Masks/face coverings need to cover both the nose and mouth and stay in place at all times. See below: (<https://news.psu.edu/video/618912/2020/05/06/when-and-why-should-i-wear-cloth-mask-ask-cidd> )

On a case-by-case basis, students may consult with Student Disability Resources for accommodations if they cannot wear a mask. Students requiring such accommodations may be advised to take advantage of and participate in the course through synchronous remote learning, if available. Students requiring such accommodations should consult with academic advisers before the end of the drop/add period to locate alternative course offerings that will allow their participation remotely. Emphasize that, per university policy, nobody is permitted to attend class without a mask; accommodations will be for synchronous or asynchronous remote attendance only.

The University policies on classroom behavior allow for instructors to ask non-compliant students to leave the classroom, or, if all else fails, instructors may end class if a student refuses to wear a mask appropriately. All cases of non-compliance should be referred to the Office of Student Conduct by filing a report: <https://cm.maxient.com/reportingform.php?PennState&layout_id=0>.

Information addressing what constitutes appropriate masks as defined by Penn State Environmental Safety and Health can be found here: <https://ehs.psu.edu/sites/ehs/files/covid19-clothmasks.pdf>.

Penn State Covid-19: <https://virusinfo.psu.edu/>

Smeal Covid-19: <https://www.smeal.psu.edu/virus-info>