

**MGMT 234**  
**COMPARATIVE MANAGEMENT:**  
**THE INTERNATIONAL DIMENSIONS OF BUSINESS**

MGMT 234  
Room: TBA

Spring 2013  
Tuesday/Thursday 10.30-12.00

**INSTRUCTOR**

Jason Jackson  
Visiting Lecturer and Senior Fellow  
The Wharton School, Management Department  
2206 Steinberg Hall-Dietrich Hall  
[jbrj@wharton.upenn.edu](mailto:jbrj@wharton.upenn.edu)

**OFFICE HOURS**

Tuesday 2.00-4.00pm or by appointment.

**COURSE OBJECTIVES**

This course will provide students with a set of conceptual tools and analytical frameworks that the future manager or analyst can use to navigate the complexities and ambiguities of the global economy. It will provide an understanding of how to measure and interpret the effects of economic, financial, political and social factors on international management decisions, regulatory policies and market outcomes.

**COURSE DESCRIPTION**

This 1.0 credit unit full semester elective course is designed for undergraduate students from across the University of Pennsylvania. It focuses on the comparative social and political environment in which business operates and provides students with the skills to identify how aspects of this environment impact on the firm. This course has **no** prerequisites and I welcome undergraduate students from majors outside of Wharton.

The course is organized on the premise that inter-disciplinary approaches that integrate conceptual frameworks and analytic tools from economics, geography, history, political science, anthropology and sociology will provide the most powerful insights to the analysis of international business and the social implications of firm strategy across borders. As such, students will be introduced to cross-disciplinary approaches and are encouraged to bring diverse theoretical perspectives to bear on the issues that we discuss.

The course will present a number of conceptual frameworks through which the future manager or business or policy analyst can assess the impact of different institutional environments on firm behavior. However, the approach will be on critically assessing the strengths and weaknesses of existing approaches. The discussion in the course will range both advanced industrialized as well as developing and emerging countries, and will tackle a range of cutting edge issues.

Student assessment will be based on class participation, short written responses, team presentations and a take-home final exam. There will be no midterm exam. The course will place a heavy emphasis on class discussion so it is important that everyone has prepared for each class so as to maximize engagement in the subject material and with your peers. The course encourages and rewards active participation and especially critical engagement with the material. Students are encouraged to apply the ideas and concepts discussed in the course to their own experiences, whether from other courses, work experience or travel, and to bring these perspectives to the class discussion.

## **READINGS**

The readings for the course will be a mixture of articles, book chapters and case studies. All required readings will be made available on Study.net or on the Canvas course platform ahead of time. From time to time when there are new developments of interest to the topics we cover in the class I will post relevant information on the Canvas platform. In addition, I am also happy to provide optional readings for anyone who is interested, and encourage students to suggest items that may be of interest to the discussion. The readings listed on the course outline below should be prepared in advance of that class session to ensure full participation in the class discussion.

## **ASSESSMENT AND GRADING**

1. Class participation including submission of short (few sentence) reactions: 30%
2. Response papers for two designated classes (max 2 single-spaced pages): 20%
3. In-class team presentation: 20%
4. Take-home final exam: 30%

### *Class-Participation (30%):*

Class participation is an extremely important element of this course. The assessment of students' participation will be based on two components: in-class discussion and reaction posts.

*a. In-class discussion:* I expect a high-level of interactive discussion in every session. Students are expected to attend class and to participate in each and every discussion. Please come prepared to engage with your peers. Each student will be graded based upon her or his contribution to class discussion. Effective participation is accomplished by demonstrating mastery of the readings and case studies and using this mastery to generate focused comments and questions that develop insights that may not be immediately discernible from the written materials. I especially encourage class participation that applies conceptual frameworks that are presented in the class to generate alternative interpretations of the case materials. This will significantly enrich everyone's learning experience. Throughout the semester we will also employ small group discussions, debates, role-play exercises and other interactive activities that provide opportunities for different modes of engagement in the class discussion. Ultimately, the grade for class participation will be determined by: (a) class attendance; (b) frequency of class participation; and (c) quality of class participation and reaction posts.

b. *Reaction posts*: Before each class I will post a few discussion questions on the Canvas course platform to help students prepare for the in-class discussion. Students should post brief few sentence reactions to the readings on the Canvas course platform before the start of each class. The reaction should be informed by the questions, but need not answer them directly. The questions are designed to guide the reading and interpretation of the material, but the responses should provide insight to your **own** reaction to the readings. These reaction posts will be valuable for informing the discussion we have during class. I will also provide a template document to collect all your case reaction posts throughout the semester for submission to me after our final meeting. Finally, students are **strongly** encouraged to post current events of interest on the Canvas course platform and/or introduce issues relating to comparative management during class.

*Response papers (20%)*: Throughout the semester students will prepare two short response papers (max 2 single-spaced pages each) discussing the readings for any two classes. The choice of which readings to focus the response paper on is thus up to each student, but you must do one before and one after Spring Break and also let me know in advance which set of readings you intend to write on. Each response paper will be due at the beginning of class. I will provide further information on these assignments in class.

*Team presentation (20%)*: Teams consisting of three students (preferably combining individuals from different majors and nationalities) will identify an issue of importance to comparative strategy or policy and describe how that issue might be addressed drawing on concepts and frameworks from the class. Students are also encouraged to bring insights and materials from other courses to bear in the preparation of the presentation, and are especially encouraged to integrate perspectives drawn from different disciplinary approaches. I will provide further details on the nature of the team presentation during the first meeting of the class.

*Take-home final exam (30%)*: This will be an *individual* exam. No discussion of the exam questions or answers will be permitted. The exam will be made available on the last day of class.

## **FACULTY LUNCHESES**

Throughout the semester there will be opportunities to have lunches/dinners with me to give you the opportunity to talk about topics of interest in an informal setting. Sign-up will be conducted on the Canvas platform. Please note that these meal sessions are entirely optional.

## **COURSE POLICIES**

Readings: Readings for the Course are listed in the syllabus below. I will also post 2-3 questions for each class session on the course platform that will help to guide students through the material and prepare for the in-class discussion.

Office hours: I will have regular office hours on Tuesday from 2.00 to 4.00 pm, and am also happy to meet with students outside of these regular office hours. I encourage you to email me to set up a meeting whenever you have questions, comments, concerns, or need

help with anything. I also welcome and encourage active feedback on the course structure and content as we proceed through the semester. Please feel free to share your thoughts with me either in person during office hours or via email. I will also distribute informal evaluation forms after the first few weeks to gather detailed feedback on the course.

Attendance: Attendance is mandatory for all class meetings, though exceptions will be granted for medical or family emergencies. Please contact me in advance in the event of any expected absences.

Academic Honesty and Plagiarism: The University of Pennsylvania takes academic honesty very seriously and it is important as part of students' education to learn how to declare work from others properly. For all the work that you submit, any quotations of longer than a phrase must be explicitly noted in the text. Insufficient attribution to extended quotations from external sources will be considered to be plagiarism. If at any point in time you have questions about how to cite work that is not your own or have any doubts otherwise, please consult with me. Please also refer to the University of Pennsylvania's Code of Academic Integrity for further information:

[http://www.upenn.edu/academicintegrity/ai\\_codeofacademicintegrity.html](http://www.upenn.edu/academicintegrity/ai_codeofacademicintegrity.html)

## **ABOUT THE INSTRUCTOR**

Jason Jackson is a Visiting Lecturer and Senior fellow in the Management Department and Lauder Institute at the Wharton School, University of Pennsylvania. His research focuses on the origins and evolution of the institutional arrangements that shape relations between business and the state and assesses the implications for market competition, economic growth and industrial development. His work is explicitly interdisciplinary, drawing insights from political science, sociology and management and his current research focuses on the politics of foreign investment in India.

In addition to his academic work, he has worked as a consultant and research economist with a variety of private, non-governmental and international organizations in the Caribbean, South Africa and the United States such as the United Nations Development Program (UNDP), the United Nations Development Fund for Women (UNIFEM), Oxfam America and the Caribbean Development Bank.

He holds an AB in Economics from Princeton University, an MSc in Development Economics from the University of London School of Oriental and African Studies (SOAS), an MPA from the Harvard Kennedy School and a Ph.D. in Political Economy from the Massachusetts Institute of Technology (MIT).

## **COURSE OUTLINE**

### **Class 1. Introduction and Course Organization**

*January 10*

Discussion of the syllabus, course content and introduction to the field of comparative management.

## **PART I. GLOBALIZATION: FIRMS AND NATIONS IN THE GLOBAL POLITICAL ECONOMY**

### **Class 2. Globalization Debates**

*January 15*

***\* Please note that this session has been rescheduled for Monday, January 14 at 6pm \****

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton. Chapters 1 and 2.

Mauro Guillen. 2001. "Is Globalization Civilizing, Destructive Or Feeble? A Critique of Five Key Debates in the Social Sciences Literature." *Annual Review of Sociology* 27:235-260.

In class film: Pankaj Ghemawat TED talk: 'Actually the world isn't flat'.

[http://www.ted.com/talks/pankaj\\_ghemawat\\_actually\\_the\\_world\\_isn\\_t\\_flat.html](http://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat.html)

#### *Optional Readings*

Pankaj Ghemawat, "Why the World Isn't Flat," *Foreign Policy*, pp. 54-60 (March/April 2007).

Pankaj Ghemawat. *Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter*. Boston, MA: Harvard Business School Press, 2007. Chapters 1-2.

### **Class 3. Globalization and Firm Strategy I**

*January 17*

Case: Can Bollywood Go Global? HBS 9-806-040

In-class videos on Bollywood and Hollywood: Apples and Oranges?

### **Class 4. Globalization and Firm Strategy II**

*January 22*

Suzanne Berger (with the MIT Industrial Performance Center). 2005. *How We Compete: What Companies Around the World Are Doing to Make It in Today's Global Economy*. New York: Doubleday. Chapters 1, 3, 12.

*Optional Readings*

Alice Amsden. 2006. "Nationality of Ownership in Developing Countries: Who Should 'Crowd Out' Whom in Imperfect Markets?" IDE-Jetro Conference on Economic Development. Tokyo.

## **PART II. COMPARATIVE INSTITUTIONAL ANALYSIS**

### **Class 5. Comparative Institutional Analysis: Advanced Industrialized Countries I** *January 24*

Peter Hall and David Soskice. 2001. "An Introduction to Varieties of Capitalism." In *Varieties of Capitalism*, ed. Hall and Soskice. New York: Oxford University Press. Selected pages TBA.

Colin Crouch. 2005. *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs*. Oxford: Oxford University Press. Chapter 2, "Typologies of Capitalism." pp. 25-45. Skim.

Hancké, Bob, Martin Rhodes, and Mark Thatcher. 2007. "Introduction: Beyond Varieties of Capitalism." In *Beyond Varieties of Capitalism*, ed. Hancké, Rhodes, and Thatcher. Oxford: Oxford University Press. Skim.

### **Class 6. Comparative Institutional Analysis: Institutions and Innovation in Asian and Latin American Capitalisms** *January 29*

Cornelia Storz and Sebastian Schafer. 2011. *Institutional Diversity and Innovation: Continuing and Emerging Patterns in Japan and China*. Routledge. Chapters 1 and 3; (Skim Chapter 2).

Ben Ross Schneider "Hierarchical Market Economies and Varieties of Capitalism in Latin America." *Journal of Latin American Studies*, 41 (August 2009), pp. 553-75

### **Class 7. Comparative Institutional Analysis: Alternative Frameworks and Cross-Regional Perspectives** *January 31*

Gary Gereffi. 2005. "The Global Economy: Organization, Governance, and Development." In *Handbook of Economic Sociology*, ed. Neil Smelser and Richard

Swedberg. Princeton: Princeton University Press.

Alice Amsden. 2001. *Rise of the Rest: Challenges to the West from Late-Industrializing Economies*. Chapters 1 and 5.

*Optional Reading*

Jason Jackson. 2012. "The Political Economy of Foreign Direct Investment: Constructing Economic Interests and Policy Preferences in India and Brazil." Mimeo.

### **PART III. NATIONAL AND REGIONAL COMPETITIVENESS AND GOVERNANCE**

#### **Class 8. National Strategies for Global Competitiveness I**

*February 5*

Michael Porter. 1990. "The Competitive Advantage of Nations." *Harvard Business Review*, March-April.

Alice Amsden and Wan-wen Chu. 2003. *Beyond Late Development: Taiwan's Upgrading Policies*. Cambridge: MIT Press. Chapters 1-3.

Case: Singapore Inc. (HBS Case 9-703-040 Rev Aug 2, 2005)

*Optional Readings*

Michael Porter "Why Nations Triumph," *Fortune* (March 12, 1990), pp. 94-108.

"The 'little red dot' intent on becoming the hub that Asia cannot live without", *The Times* (London), October 11, 2008

Mauro Guillen. 2003. *The Limits of Convergence: Globalization and Organizational Change in Argentina, South Korea, and Spain*. Chapters 2-4; Skim Chapters 6-7

Biggart, Nicole Woolsey and Mauro F. Guillen. 1999. "Developing Difference: Social Organization and the Rise of the Auto Industries of South Korea, Taiwan, Spain, and Argentina." *American Sociological Review* 64:722-47.

#### **Class 9. National Strategies for Global Competitiveness II: City-States in Middle East**

*February 7*

Case: Dubai: Debt Development and Crisis (HBS Case 710-069, July 2010)

**Class 10. Regional Norms and Institutions: Subnational Competitive Dynamics**

*February 12*

Annalee Saxenian. 1996. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Cambridge: Harvard University Press. Introduction and Chapters 1-3.

*Optional Reading*

Annalee Saxenian, "Lesson from Silicon Valley," *Technology Review*, July 1994, pp. 42-52.

Richard Locke. 1995. "Chapter 4: Industrial Adjustment and Industrial Relations in the Automobile Industry," *Remaking the Italian Economy*. Ithaca: Cornell University Press. 1995.

**Class 11. NAFTA: Challenges and Opportunities of Regional Integration**

*February 14*

Reading: Andrew G. Brown, and Robert M. Stern. 2011. "Free Trade Agreements and the Governance of the Global Trading System." *The World Economy* 34:3, 331-354.

Allen Tackett, "NAFTA Chapter Eleven and Dispute Resolution: Is U.S. State Sovereign Immunity at Risk?" *Johns Hopkins Journal of American Politics*. 2001. Skim.

Case: Anthony Frost and Ann Frost, "Magna International and the North American Free Trade Agreement," MIT Sloan School of Management

*Optional Reading:*

Kevin Gallagher. 2004. *Free Trade and the Environment: Mexico, NAFTA and Beyond*. Stanford Law and Politics.

**Class 12. Integration in the European Union: New Institutions and New Challenges for Economic Policy and Business Strategy**

*February 19*

Case: "A Wider Europe: The Challenge of EU Enlargement," HBS 9-703-021, Rev: June, 2003.

Handout on EU History, Actors, and Laws.

**PART IV. INSTITUTIONS, ORGANIZATIONS AND STRATEGY**

**Class 13. Organizing the Firm for International Competition**

*February 21*



Richard Whitley, G. Morgan and Peer Hull Kristensen. 2001. *The Multinational Firm: organising across institutional and national divides*. Oxford: Oxford University Press. Chapters 1-2.

**Class 14. Modes of Firm Organization and Corporate Governance: Diversified Business Groups I**

*February 26*

Khanna, Tarun, and Yishay Yafeh. 2007. "Business Groups in Emerging Markets: Paragons or Parasites?" *Journal of Economic Literature* 45 (June):331-72.

Granovetter, Mark. 2005. "Business Groups and Social Organization," In *Handbook of Economic Sociology*, ed. Neil Smelser and Richard Swedberg. Princeton: Princeton University Press.

Amsden, Alice. 2001. Chapter 8 "National Firm Leaders," in *The Rise of "the Rest,"* pp. 190-250. Skim.

**Class 15. Modes of Firm Organization and Corporate Governance: Diversified Business Groups II**

*February 28*

Lisa A. Keister 2009. "Interfirm Relations in China: Group Structure and Firm Performance in Business Groups." *American Behavioral Scientist*. August 2009; vol. 52, 12: pp. 1709-1730.

Ben Ross Schneider. 2008. "Economic Liberalization and Corporate Governance: The Resilience of Economic Groups in Latin America." *Comparative Politics*.

*Optional Reading*

Ben Ross Schneider. "A Comparative Political Economy of Diversified Business Groups, or How States Organize Big Business" *Review of International Political Economy*, 16:2, 178-201.

\*\*\*\*\* **SPRING BREAK** \*\*\*\*\*

**Class 16: Gender and Labor Market Institutions in Cross-Border Management**

Jordan Siegel, Lynn Pyun, and B.Y. Cheon. 2011. "Multinational Firms, Labor Market Discrimination, and the Capture of Competitive Advantage by Exploiting the Social Divide". HBS Working Paper 11-011.

## **Class 17. Entrepreneurship and High Skilled Migration: Diasporas as Brokers**

*March 14*

AnnLee Saxenian. 2006. *The New Argonauts: Regional Advantage in a Global Economy*. Cambridge: Harvard University Press. Chapters 1-3.

*Optional Reading:*

Case: Jerry Rao: Diaspora and Entrepreneurship in the Global Economy (HBS 9-805-017 Rev Feb 11, 2008)

Elena Obukhova "The Role of Returnee-Entrepreneurs in Cluster Emergence: The Case of Shanghai's Fabless Semiconductor-Design Industry". Mimeo.

AnnaLee Saxenian and Jinn-Yuh Hsu. 2001. "The Silicon Valley-Hsinchu Connection: Technical Communities and Industrial Upgrading." *Industrial and Corporate Change* 10:893-920.

Xiang Biao. 2007. *Global "Body Shopping": An Indian Labor System in the Information Technology Industry*. Princeton: Princeton University Press. Chapters: Introduction, 2, 5, 7.

Case: Take Advantage of Your Diaspora Network (HBS 9-808-029 Rev Jul 2, 2008)

## **PART V. OUTWARD INVESTMENT FROM EMERGING MARKETS**

### **Class 18. The Rise of New Global Powers: India & China**

*March 19*

Goldman Sachs "Dreaming with BRICS: The Path to 2050". Global Economics Paper 99 <http://www.goldmansachs.com/our-thinking/topics/brics/brics-reports-pdfs/brics-dream.pdf>

Yasheng Huang & Tarun Khanna, "Can India Overtake China?" *Foreign Policy*, pp. 74-81 (July- August 2003).

Yasheng Huang, "The Next Asian Miracle," *Foreign Policy*, pp. 32-40 (July-August 2008).

Video: China Investment Corporation.

Reading: Bill Powell, "It's China's World." *Fortune* (October 8, 2009).

Howard W. French, "The Next Empire." *The Atlantic* (May 2010). [On China in Africa.]

Stephen S. Cohen and J. Bradford DeLong. 2010. *The End of Influence: What Happens When Other Countries Have the Money*. New York: Basic Books, 91-117.

### **Class 19. Emerging Market Multinationals**

*March 21*

Case: ASE: MTC's Journey through Africa (HBS 9-708-477).

#### *Optional Readings:*

Ravi Ramamurti and Jitendra V. Singh, eds. 2009. *Emerging Multinationals from Emerging Markets*. Cambridge and New York: Cambridge University Press. Chapter 1.

Mauro Guillen. 2005. *The Rise of Spanish Multinationals: European Business in the Global Economy*. Chapter 1.

Stephen Tallman and Karin Fladmoe-Lindquist (2002) 'Internationalization, Globalization and Capability-Based Strategy' *California Management Review*, 45:1.

### **Class 20. The Rise of China in Sub-Saharan Africa**

*March 26*

***Guest Lecturers: Dr. Adam Bund and Dr. Marton Markovits***

Reading assignments TBA.

#### *Optional Reading*

Deborah Brautigam *The Dragon's Gift: The Real Story of China in Africa*. Oxford University Press, 2011. Chapters 1-3

David Shinn and Joshua Eisenman *China and Africa: A Century of Engagement*. University of Pennsylvania Press, 2012. Chapters 2-4

Video: Chinatown Africa (Available on YouTube)

### **Class 21. Brazil, China and Latin American Mining and Manufacturing**

*March 28*

Case: "Vale: Global Expansion in the Challenging World of Mining." (HBS Case 710-054)

Kevin Gallagher and Roberto Porzecanski. 2011. *The Dragon in the Room: China and the Future of Latin American Industrialization*. Chapters 1-3.

**PART VI:  
ORGANIZATIONAL, ETHICAL AND STRATEGIC CHALLENGES**

**Class 22. Managing Labor in Global Supply Chains: Risks and Opportunities**

*April 2*

Gereffi, Gary, John Humphrey, and Timothy Sturgeon. 2005. "The Governance of Global Value Chains." *Review of International Political Economy* 12:78-104.

Locke, Richard M., Matthew Amengual and Akshay Mangla. 2009. "Virtue Out of Necessity? Compliance, Commitment and the Improvement of Labor Conditions in Global Supply Chains" *Politics and Society*. Skim.

Case: Richard Locke and Monica Romis, "Improving Work Conditions in a Global Supply Chain." *MIT Sloan Management Review*, Vol 48, No. 2 (Winter 2007). (compares across 2 Nike factories in Mexico)

*Optional Readings:*

Alan Blinder. 2006. "Offshoring: The Next Industrial Revolution?" *Foreign Affairs* 85(2), 113-128.

Charles Duhigg and Keith Bradsher. 2012. "How the U.S. Lost Out on iPhone Work." *New York Times*, January 21.

Charles Duhigg and David Barboza. 2012. "In China, Human Costs Are Built Into an iPad." *New York Times*, January 25.

David V. Johnson Dara O'Rourke. 2012. "Think Different. Can Apple Shape Up?" *Boston Review Online*, February 8.

Dara O'Rourke. 2011. "Citizen Consumer." *Boston Review* (November/December).

Guillen (2003). *The Limits of Convergence: Globalization and Organizational Change in Argentina, South Korea, and Spain*. Chapter 5 Multinationals, Ideology and Organized Labor

Ethan Kapstein. 1996. "Workers and the World Economy: Breaking the Postwar Bargain." *Foreign Affairs* (May/June).

Renaldo Munck. 2002. *Globalisation and Labour*. London: Zed Books, 13-18

Sheri Berman. 2009. "The Primacy of Economics versus the Primacy of Politics: Understanding the Ideological Dynamics of the Twentieth Century." *Perspectives on Politics* 7(3): 561-578. Pages 561-2 and 572-5 are particularly important.

**Class 23. TEAM PRESENTATIONS**

*April 4*

**Class 25. TEAM PRESENTATIONS**

*April 11*

**Class 25. ATTEND WHARTON-LAUDER SANTANDER CONFERENCE**

*April 13*

**Class 26. Reconciling Profit and Social Needs: Institution Building in Southern Africa**

*April 16*

In-class video TBD

Case: "Botswana: A Diamond in the Rough," HBS 9-703-027, Rev: March 31, 2003.

Note on Conflict Diamonds: Why Are Civil Wars, like Diamonds, Forever? (HBS Case 9-702-027 Rev Apr 1, 2002).

"Diamonds are forever in Botswana", The New York Times, 19th March 2008.

**Class 27. When is it Lobbying and when is it Corruption? Identifying the (Fine?) Line between Lobbying and Corruption in Different Country Environments**

*April 18*

Fisman, Raymond. 2001. "Estimating the Value of Political Connections." *American Economic Review*, Vol. 91(4):1095-1102.

Foreign Corrupt Practices Act – Layperson's Guide. Department of Justice publication.  
<http://www.justice.gov/criminal/fraud/fcpa/docs/lay-persons-guide.pdf>

Walmart Senate Disclosures on Lobbying in India (FDI in Multi-brand Retail in India)

Case: Corruption in Germany. HBS Case 709-006, June 2012. Abdelal, Rawi E., Rafael Di Tella, and Jonathan Schlefer.

*Optional Readings*

Case: “Infosys in India: Building a Software Giant in a Corrupt Environment.” Harvard Business School Case 707-030, January 2007. Abdelal, Rawi E., Rafael M. Di Tella, and Prabakar (PK) Kothandaraman. (Revised from original December 2006 version.)

Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. “Governance Matters V: Aggregate and Individual Governance Indicators for 1996-2005.” World Bank.

C. Gray & D. Kaufman “Corruption and Development.” *Finance & Development*, 3/1/98, pp. 7-10).

**Class 28. Course Conclusion and Wrap-up**

*April 23*