



**MGMT/IBUS 667/BUSH627  
MULTINATIONAL ENTERPRISES**

***SPRING 2005 COURSE OUTLINE AND SYLLABUS***

Instructor:	Lorraine Eden Professor of Management	Class Time	Tuesdays 2:20-4:50 p.m.
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Office Hours: Thursdays 2:30-4:30 p.m. or by appointment (email to set up a specific date/time).			
TAMU Home Page: <a href="http://cibs.tamu.edu/leden">http://cibs.tamu.edu/leden</a> Personal Home Page: <a href="http://www.voxprof.com">http://www.voxprof.com</a>			

**COURSE OUTLINE**

This graduate seminar provides a broad survey of the field of international business and theory of the multinational enterprise. Multinational enterprises are studied from a variety of perspectives, including international economics, strategic management, international political economy, and public policy.

**COURSE OBJECTIVES**

The objective of this course is to provide graduate students with an overview, including both classic and current materials, of the scholarly literature on multinational enterprises (MNEs) and the field of international business (IB).

**COURSE PREREQUISITES**

This course is designed for graduate students who are interested in studying multinational enterprises (for example, why they exist and are successful organizations, their patterns of expansion and growth, alliances and networks, MNE-subsidiary relations) and their relations with other actors in the global economy (for example, nation states, international organizations, NGOs). These students will be primarily in the Mays Business School and in the Masters in International Affairs degree program in the George Bush School; however, the course is open to graduate students from across the University with a research interest in multinational enterprises.

Students must have taken at least one undergraduate course in Economics since much of the reading materials assume an economics background.

**METHOD OF INSTRUCTION**

Students are expected to come to class fully prepared to participate in class discussions. Each class will have an introductory lecture by the instructor, presenting an overview of the historical development of each topic. My overview development is likely to build on the “Background Readings” supplied for some of the topics (see below). This introduction will be followed by class discussions, critically evaluating the

readings. These discussions will be centered on the weekly Idea Sheets prepared by the students. The instructor will act as a moderator of these discussions.

## READING MATERIALS

**1. Alan Rugman and Thomas Brewer (editors). 2001 (hardback). 2002 (paperback). The Oxford Handbook of International Business (OHIB). Oxford, UK: Oxford University Press. ISBN 0-19-924182-1.**

The textbook for this course is an edited book of readings on the multinational enterprise and international business called The Oxford Handbook of International Business. Internet links are provided below:

TAMU Bookstore: <https://www.bkstore.com/tamu/res1.html>

Amazon:

<http://www.amazon.com/exec/obidos/ASIN/0199241821/qid%3D1019761188/ref%3Dsr%5F11%5F0%5F1/102-2180338-2260918>

Barnes & Noble:

<http://search.barnesandnoble.com/booksearch/isbnInquiry.asp?userid=181GTG9R0Y&mscssid=S2L5F3WRGSK49GVM8FWXS5BMQ0PE8FP6&isbn=0199241821>.

**2. World Investment Report. Various years. New York and Geneva: United Nations.**

The World Investment Report (WIR) is an annual publication of the Division on Investment, Technology and Enterprise Development at UNCTAD. WIRs have been published since 1991. Each report can be individually downloaded from: <http://www.unctad.org/Templates/Page.asp?intItemID=1485&lang=1>. Click on the book title, and then on “contents” or “table of contents”. This will bring up a list of the chapters in the book that can be individually downloaded. Note that early volumes must be downloaded as one file. In addition, all appendices can be individually downloaded. The two most recent WIRs are:

*WIR 2004*

<http://www.unctad.org/Templates/webflyer.asp?docid=5209&intItemID=3235&lang=1&mode=toc>

*WIR 2003*

<http://www.unctad.org/Templates/webflyer.asp?docid=3785&intItemID=2979&lang=1&mode=toc>

## **3. Other Course Reading Materials**

See the attached list of required reading materials. Students are expected to download the readings from the Texas A&M library website. A CD Rom of the required readings (except for the textbook chapters) is also available.

The readings are divided into three categories:

1. *Required Readings*: These readings must be read prior to each class and are required for all students. The weekly writing assignments are to be based on these readings. These readings are selected from (i) the OHIB textbook, (2) World Investment Reports, (3) Harvard Business Review (HBR), (4) international business and management journals (e.g., Journal of International Business Studies (JIBS), Strategic Management Journal (SMJ)) and (5) an occasional book

chapter, government document and/or unpublished paper. There are an average of SIX required readings per week, with a minimum of two (week 1) and a maximum of eight (week 5; this includes three HBR articles) readings.

2. *Background Readings:* These readings are provided for those students whose backgrounds are weak in traditional undergraduate courses in international business and strategy. These typically include my MGMT/IBUS 450 lecture notes and/or classic articles in the Harvard Business Review from the 1970s and 1980s. Some of the required readings will build on these background materials. You may find it useful to peruse these materials before starting the Required Readings. Please note that I am in the process of updating my MGMT 450 lectures so that some of my 450 lecture notes will be emailed to you a week or two after the semester starts.
3. *Want to Learn More? Optional Readings:* These readings are additional readings for students who want to learn more about the topic; for example, a student writing a term paper on the topic, or a PhD student interested in the topic for his/her own research and/or teaching purposes. These readings will not be discussed in class and not tested on the final exam.

## PERFORMANCE EVALUATION

Two options are offered in terms of the grading scheme, depending on whether the student elects to write a term paper or not. The two methods are outlined below:

Performance Evaluation Method			
Option A		Option B	
Class participation	20%	Class participation	20%
Weekly idea sheets	40%	Weekly idea sheets	40%
Final examination	40%	Final Examination	20%
		Term Paper	20%
Total	100%	Total	100%

### Class Participation (20%)

Class participation is an important component of the final grade. Good participation includes the following:

- Weekly class attendance.
- Regular, active participation in class discussions, both oral participation during class and written participation in the Forums on the class web portal.
- Evidence in class discussions of having read the required readings and reflected on the study questions.
- Demonstration in class discussions of an ability to synthesize the week's material and to link material from different weeks.

Quality of participation is more important than quantity. Class participation will be graded weekly. Students should check with the instructor from time to time concerning their class participation. Please note that student participation scores often tend to track Weekly Idea Sheet scores due to the nature of the oral interaction during the class (i.e., class discussions center around the Idea Sheets, see below).

## **Weekly Idea Sheets (40%)**

Each week, students must turn in a **two-page, single-spaced typed paper, maximum**, after having read and thought about the required readings for that particular class.

A high-quality Idea Sheet (1) provides an over-arching introduction, (2) discusses all the required readings, (3) briefly summarizes the key points in each reading, (4) provides a critical evaluation of the readings, and (5) includes the author's personal opinion of the readings and/or links to his/her personal experiences. Because idea sheets may lead to research papers, students are expected to behave ethically in respecting the 'idea ownership rights' of others.

Examples of topics that can be covered in Idea Sheets are the following:

- Research gaps in this week's readings (what's missing?)
- Critical evaluation of the readings (what's right? what's wrong?)
- A potential empirical contribution to the literature discussed in class (a bright idea!)
- A potential theoretical contribution to this literature (a bright idea!)
- Ways to extend one or more readings into another paper (extensions....)
- Ways to bridge two or more of the readings (bridges across...)
- Insights that this week's readings have for business strategy
- Insights drawn from your work experience that complement/contradict the readings.

The purposes of the weekly idea sheets are to:

- encourage students to read and critically evaluate the required readings prior to class.
- facilitate in-class discussion of the readings by all members of the class.
- be used as a study aid for the final exam (since each student receives copies of everyone's idea sheets).

There are 13 classes in the semester (not counting the first class); Idea Sheets must be handed in by Masters Students for all but three (3) of these weeks, starting with Class #2. That is, masters-level students must hand in 10 Idea Sheets. PhD students must hand in Idea Sheets for all but one (1) of these weeks, starting with Class #2; that is, PhD students must hand in 12 Idea Sheets. If a student does more than the required number of Idea Sheets, the top number of required grades will be used to calculate the overall grade for the Weekly Sheets.

The process for the Weekly Idea Sheets is as follows:

1. Student downloads and reads the assigned readings for the class.
2. Student types up his/'her Idea Sheet and emails it to the Instructor.
3. The Idea Sheet must be received as an email by the instructor no later than 8 am the day of class (since delivery times for email vary considerably, sending the email at least 12 hours earlier is highly recommended).
4. Late idea sheets lose value ; the penalty for lateness is as follows:
  - a. Idea Sheets received after 8 am but arrive before class, will drop one grade (for example, from an A to an A minus or from a B plus to a B).
  - b. Idea Sheets received the day of, but after class, will drop two grades (for example, from a B plus to a B minus).

- c. Idea Sheets continue to lose one grade for each extra day they are late.
5. Instructor grades the Idea Sheet the morning of class and returns the graded sheet to the student at the beginning of the class. Idea Sheets that arrive late will be returned to the student in the next class.
  6. Student prints sufficient copies of his/her Idea Sheet for all members of the class, brings the copies to class and distributes them to the class participants at the beginning of class. Students that do not bring copies of their Idea Sheet to class will have the initial grade on their Weekly Idea Sheet reduced by one grade (for example, from a B plus to a B). Since class discussion revolves around the Weekly Idea Sheets, it is essential that all students have copies of all Idea Sheets.
  7. Each student is responsible for printing and distributing sufficient copies of his/her Idea Sheet. If, for a legitimate reason on one or two occasions, the student cannot print their Idea Sheet, as long as s/he notifies the Instructor in advance of the class in sufficient time for the Instructor to make copies, there will be no penalty.
  8. Students who do not attend a class are responsible for obtaining the copies of the Idea Sheets distributed in the class they missed.
  9. Since the Idea Sheets can be useful in preparing for the final exam, students are encouraged to keep all the sheets for each class together, organized by topic.

### **Final Examination (40% under Option A, 20% under Option B)**

The final examination will be comprehensive, covering materials from across the course. A list of 6-8 possible essay examination questions will be distributed in advance of the exam; 4-6 questions from this list will be placed on the final exam; and students will answer 3-4 questions on the exam. All questions will be essay questions in format. The exam is closed book; however, a list of all the course readings will be provided during the exam.

**The final examination will be held on Saturday, May 7, 2005, from 9:30 a.m.-11:30 a.m.** and will be followed by lunch, hosted by the instructor. The TAMU Spring 2005 Final Exam Schedule has Wed May 11, 1:00-3:00 p.m. as the official time for the exam. I have moved the exam to Saturday May 7 as it is impossible to grade an essay exam if it is held the afternoon of May 11 and the grades are due the morning of May 12. **Any student who cannot take the final exam on Saturday May 7 from 9:30-11:30 a.m. should not register for this class.**

### **Term Paper (not available under Option A; 20% under Option B)**

Students have the option to write a term paper on an area of international business research, chosen in consultation with the instructor. The topic must build from one of the weeks' readings for the course, and will be evaluated not only in terms of quality, but also in terms of fit with (and use of) the course materials. The end goal of the paper should be presentation at the annual meetings of a professional association; that is either at the Academy of International Business meetings (national or a regional meeting) or at the international division of their major discipline (e.g., the International Management division of the Academy of Management).

The paper must have a clear research question, literature review and theory development sections. Empirical testing is possible, but unlikely given the time frame. More likely, the paper should be a theory

piece with propositions or a case study (case studies are acceptable, if well designed). The term paper must be new or substantially new (i.e., the paper cannot be a project that the student already has underway) and cannot be double counted (i.e., be submitted and receive credit from two different courses).

The paper should be 25-30 pages in length, typed, double-spaced, with a bibliography that includes only the readings actually used in the paper. Tables and charts should be placed at the end of the paper. The format style should follow that required by the professional association for which the paper is intended.

#### Term Paper Timetable:

- Before the end of February 2005, each student interested in the Term Paper option must meet with the instructor to discuss possible term paper topics and conferences where the paper could be presented (or journals where the paper could be submitted).
- A two-to-three page outline of the term paper topic must be submitted to the instructor on or before the end of March 2005. The outline should include the research question, methodology and some key references. The outline should also include the intended conference or journal for the final paper.
- The term paper must be submitted to the instructor on or before the last class on April 26, both as an e-mail attachment and in printed form.
- Late papers will lose one-half percentage point for each day late (e.g., if the paper is one day late, the maximum grade drops from 20% to 19.5% of the final grade). This policy applies regardless of the reason for late submission of the term paper.
- Students who change their mind and decide to select Option A (that is, not do the term paper), can do so at any time up to the date when the term paper is due (April 26, 2005). On that date, all decisions are final.

#### WRITING STYLE

Note that all written work will be graded, not only for content, but also for *grammar, writing style, organization and presentation of material*. The mark for poorly written work with frequent misspellings and grammatical errors will be reduced by one complete grade (from B+ to B, for example).

It is strongly recommended that the student use the Spell Check and Grammatical programs in your word processing package to ensure that your papers (that is, the weekly Idea Sheets and term paper, if a PhD student) are free of stylistic problems. Students who need extra help should consider purchasing an editing software program such as Stylewriter (<http://www.stylewriter-usa.com>).

#### THE AGGIE CODE OF HONOR AND SCHOLASTIC DISHONESTY

For many years, Aggies have followed a Code of Honor, which is stated in this very simple verse: "Aggies do not lie, cheat, or steal, nor do they tolerate those who do." The Aggie Code of Honor is an effort to unify the aims of all Texas A&M men and women toward a high code of ethics and personal dignity. For most, living under this code will be no problem, as it asks nothing of a person that is beyond reason. It only calls for honesty and integrity, characteristics that Aggies have always exemplified. The Aggie Code of Honor functions as a symbol to all Aggies, promoting understanding and loyalty to truth

and confidence in each other. Commission of any of the following acts shall be considered as a violation of the Aggie Code of Honor and evidence of scholastic dishonesty. This listing is not exclusive of any other acts that may reasonably be said to constitute scholastic dishonesty:

- Acquiring Information: Acquiring answers for any assigned work or examination from any unauthorized source. Working with another person or persons on any assignment or examination, when not specifically permitted by the instructor. Observing the work of other students during any examination.
- Providing Information: Providing answers for any assigned work or examination when not specifically authorized to do so. Informing any person or persons of the contents of any examination before the time the examination is given.
- Plagiarism: Failing to credit sources used in a work product in an attempt to pass off the work as one's own. Attempting to receive credit for work performed by another, including papers obtained in whole or in part from individuals or other sources. You are committing plagiarism if you copy the work of another person and turn it in as your own, even if you have the permission of the person. Plagiarism is one of the worst academic sins, for the plagiarist destroys the trust among colleagues without which research cannot be safely communicated.
- Conspiracy: Agreeing with one or more persons to commit any act of scholastic dishonesty.
- Fabrication of Information: The falsification of the results obtained from a research or laboratory experiment. The written or oral presentation of results of research or laboratory experiments without the research or laboratory experiment having been performed.
- Violation of Departmental or College Rules: Violation of any announced departmental or college rule relating to academic matters, including but not limited to abuse or misuse of computer access or information.
- It is also not acceptable to submit as your own work a paper (or part of a paper) that was completed for another course since this would in effect be 'double counting' (i.e., receiving credit twice for the same piece of work). This activity is called **complementarity**. If you wish to incorporate research you completed for another course into a paper for this course, the paper must be fully cited and the instructor's permission requested in advance. If complementarity occurs in this course, the piece of work will receive a zero grade.

The full consequences of scholastic dishonesty will be pursued consistent with University policy. Students who commit academic dishonesty (e.g., plagiarism on the draft or final term paper) should expect, as a minimum punishment, to receive a zero grade on that piece of work. If you have any questions, please discuss this with your course instructor and consult the latest issue of the Texas A&M University Student Rules, under the section "Scholastic Dishonesty" available at <http://student-rules.tamu.edu/>.

You must complete exams alone. You may use only the materials we specify to help you complete your work. If, due to a disability or extraordinary circumstances, you need special accommodations or help in completing course requirements, you must see the instructor BEFORE the exam or assignment due date. See Academic Rules, Section 20, at <http://student-rules.tamu.edu/rule20.htm> for more details.

## **COPYRIGHT ISSUES**

All handouts in this course are copyrighted, including all materials posted on the website for this course. “Handouts” refers to all materials generated for this class, which include but are not limited to the syllabus, class notes, quizzes, exams, lab problems, in-class materials, review sheets, and additional problem sets. You have the right to download materials from the course website for your own use during this class; however, because these materials are copyrighted, you do not have the right to copy the handouts for other purposes unless the instructor expressly grants permission.

## **ADA POLICY STATEMENT**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation and have not yet registered with the Department of Student Life, Service for Students with Disabilities, please contact them immediately. Their office is Room 126 Koldus Building; telephone number is 845-1637. Please inform me also as soon as possible in the semester. I am not qualified to assess disabilities, and so will not be able to help you in establishing a need for accommodation. No adjustments will be made to grades based on disability.

## **WEHNER BUILDING POLICY**

We have beautiful, state-of-the-art classrooms in the Wehner Building. We want to maintain the high quality conditions of these classrooms for the students in future years. Thus, it is necessary for you to adhere to the established policy of no beverages, food or tobacco products or animals (unless approved) in WCBA classrooms. Only bottled water is allowed during class. Please do not leave trash in the room. If you bring newspapers (e.g., the Battalion), etc, to class, either carry them out again or put them in the trash containers. Don't mess with Wehner!

## **SYLLABUS AND SCHEDULE CHANGES**

The course syllabus and/or timetable may be amended or changed as the semester progresses at the instructor's discretion. It is the student's responsibility to stay informed about class schedules and policies. The information you need is included in this Syllabus. In addition, announcements will be made regularly in class and emailed to all students. It is your responsibility to keep up with that information. If you are unclear about any policies or other information with respect to the course, please ask or email me at [leden@tamu.edu](mailto:leden@tamu.edu) for more information.



## COURSE TIMETABLE SPRING 2005

Date	No	Topic & Required Readings	Other Info
Jan 18	1	MNEs and FDI: An Introduction	
Jan 25	2	The OLI/Eclectic Paradigm	
Feb 1	3	Theories of the MNE	
Feb 8	4	Strategic Management and the MNE	
Feb 15	5	Going Global: Entry, Expansion and Timing	
Feb 22	6	Knowledge Flows and the MNE	Deadline for discussing Option B term paper with instructor.
Mar 1	7	MNE Location and International Production Strategies	<b>* Note: We need to reschedule this class as I will be out of town.</b>
Mar 8	8	Internalization and the Mode of Entry Decision	
		<i>March Break Week</i>	
Mar 22	9	International Strategic Alliances	
Mar 29	10	MNEs in Emerging Economies	Deadline for submitting Option B term paper outline.
Apr 5	11	Benefits and Costs of FDI	
Apr 12	12	MNE-State Relations	
Apr 19	13	MNE Political Strategies	Final Exam Review Distributed
Apr 26	14	Government Regulation of MNEs and FDI	Deadline for submitting Option B term paper.
<b>** Sat May 7</b>		<b>** Final Examination 9:30-11:30 am. Followed by lunch 12:00-1:30 p.m. – location TBA.</b>	

### Please Note

\* Class date/time shift for March 1: One possibility is to hold class on Tuesday May 3, 2005 (Friday classes are normally held on this date) and move the classes from #7 on back one week. Another possibility is to meet on Monday evening March 1st. This will be settled no later than the second class day (Jan. 25).

\*\* The final exam should be held Wednesday May 11, 1:00-3:00 p.m. However, grades for graduates are due 9:00 a.m. Thursday, making it impossible for me to grade this exam. I therefore will hold the final exam on Saturday, May 7, in the morning 9:30-11:30. Lunch will be provided afterwards.

**REQUIRED READING LIST**  
**MGMT/IBUS 667 – MULTINATIONAL ENTERPRISES, SPRING 2005**  
**(Subject to Change - Last Revised January 14, 2005)**

**CLASS #1 --- JANUARY 18, 2005**  
**MULTINATIONALS AND FOREIGN DIRECT INVESTMENT: AN INTRODUCTION**

UNCTAD. 2002. World Investment Report 2002: Transnational Corporations and Export Competitiveness. Geneva, United Nations. Chapter 4: The Largest Transnational Corporations.

UNCTAD. 2004 World Investment Report 2004: The Shift towards Services. Geneva, United Nations. Chapter 3: The Growth of FDI in Services and Its Implications.

**CLASS #2 -- JANUARY 25, 2005**  
**THE OLI/ECLECTIC PARADIGM**

Dunning, John. 1995. Reappraising the Eclectic Paradigm in an Age of Alliance Capitalism. Journal of International Business Studies 26.3: 461-91.

Dunning, John H. 2001. The Key Literature on IB Activities: 1960-2000. In Rugman, Alan M. and Thomas L. Brewer (eds.). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Dunning, John H. 2003. The Eclectic (OLI) Paradigm of International Production: Past, Present and Future. In John Cantwell and Rajneesh Narula (eds.) International Business and the Eclectic Paradigm: Developing the OLI Framework. London and New York: Routledge.

Eden, Lorraine. 2003. A Critical Reflection and Some Conclusions on OLI. In John Cantwell and Rajneesh Narula (eds.) International Business and the Eclectic Paradigm: Developing the OLI Framework. London and New York: Routledge.

Itaki, Masahiko. 1991. "A Critical Assessment of the Eclectic Theory of the MNE", Journal of International Business Studies Vol.22, No.3 (third quarter): 445-60.

**CLASS #3 --- FEBRUARY 1, 2005**  
**THEORIES OF THE MULTINATIONAL ENTERPRISE**

Hennart, Jean-Francois. 2001. Theories of the Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Hofstede, Geert. 1994. The business of international business is culture. International Business Review, 3.1: 1-14. Reprinted in Peter Buckley and Pervez Ghauri, 1999. The Internationalization of the Firm, Second Edition (London, UK: Thompson Business Press), pp. 381-93.

Kogut, Bruce and Udo Zander. 1993. Knowledge of the Firm and the Evolutionary Theory of the Multinational Corporation. Journal of International Business Studies 24(4): 625-45.

Kogut, Bruce and Udo Zander. 2003. A memoir and reflection: knowledge and an evolutionary theory of

the multinational firm 10 years later. Journal of International Business Studies (2003) 34, 505–515

Shenkar, Oded. 2004. One more time: international business in a global economy. 2004. Journal of International Business Studies 35, 161–171.

Westney, D. Eleanor and Srilata Zaheer. 2001. The Multinational Enterprise as an Organization. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 349-79.

<p style="text-align: center;"><b>CLASS #4 --- FEBRUARY 8, 2005</b> <b>STRATEGIC MANAGEMENT AND THE MULTINATIONAL ENTERPRISE</b></p>
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Holt, Douglas B., John A. Quelch, and Earl L. Taylor. 2004. How global brands compete. Harvard Business Review, September: 68-75.

Karmarkar, Uday. 2004. Will you survive the services revolution? Harvard Business Review, June: 101-107.

Porter, Michael. 1991. Towards a dynamic theory of strategy. Strategic Management Journal, 12: 95-117.

Ricart, Joan Enric, Michael J. Enright, Pankaj Ghemawat, Stuart L Hart and Tarun Khanna. 2004. New frontiers in international strategy. Journal of International Business Studies, 35: 175-2000.

Rugman, Alan and Alain Verbeke. 2003. Extending the theory of the multinational enterprise: internalization and strategic management perspectives. Journal of International Business Studies, 34.2: 125-37.

Rugman, Alan and Alain Verbeke. 2004. A perspective on regional and global strategies of multinational enterprises. Journal of International Business Studies, 35: 3-18.

Tallman, Stephen and George Yip. 2001. Strategy and the Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (eds). 2001. The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

<p style="text-align: center;"><b>CLASS #5 -- FEBRUARY 15, 2005</b> <b>GOING GLOBAL: ENTRY, EXPANSION AND TIMING</b></p>
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Farrell, Diana. 2004. Beyond offshoring: Assess your company's global potential. Harvard Business Review, December.

Ghemawat, Pankaj. 2001. Distance still matters: The hard reality of global expansion. Harvard Business Review, September, 137-147.

Miller, Kent D. and Timothy B. Folta. 2002. Option Value and Entry Timing. Strategic Management Journal, 23: 655-65.

Rivoli, Pietra and Eugene Salorio. 1996. Foreign Direct Investment and Investment under Uncertainty. Journal of International Business Studies 27.2: 335-57.

Vermeulen, Freek and Harry Barkema. 2002. Pace, Rhythm and Scope: Process Dependence in Building

a Profitable Multinational Enterprise. Strategic Management Journal. 23: 637-53.

Zahra, Shaker. 2004. A theory of international new ventures: a decade of research. Journal of International Business Studies, 1-9.

Zook, Chris and James Allen. 2003. Growth outside the core. Harvard Business Review, Dec: 66-73.

**CLASS #6 -- FEBRUARY 22, 2005**  
**KNOWLEDGE FLOWS AND THE MULTINATIONAL ENTERPRISE**

Cantwell, John. 2001. Innovation and Information Technology in MNE. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 431-56.

Chung, Wilbur. 2001. Identifying Technology Transfer in Foreign Direct Investment: Influence of Industry Conditions and Investing Firm Motives. Journal of International Business Studies, 2<sup>nd</sup> Quarter, 32.3: 211-229.

Eden, Lorraine, Edward Levitas and Richard Martinez. 1997. The Production, Transfer and Spillover of Technology: Comparing Large and Small Multinationals as Technology Producers. Small Business Economics. 9.1. (February): 53-66.

Grosse, Robert. 1996. International Technology Transfer in Services. Journal of International Business Studies Vol.27, No.4 (4th Quarter): 781-800.

Kuemmerle, Walter. 1997. Building effective R&D capabilities abroad. Harvard Business Review, March-April: 61-70.

Kuemmerle, Walter. 1999. The Drivers of Foreign Direct Investment into Research and Development: An Empirical Investigation. Journal of International Business Studies, 30.1: 1-24.

**CLASS #7 -- MARCH 1, 2005 (Note: This date must be changed.)**  
**MNE LOCATION AND INTERNATIONAL PRODUCTION STRATEGIES**

Buckley, Peter J. and Pervez N. Ghauri. 2004. Globalization, economic geography and the strategy of multinational enterprises. Journal of International Business Studies, 35: 81-98.

Eden, Lorraine. 2004. Strategies of North American Multinationals in the New Regionalism. Presented at the Trade and Investment Conference Celebrating the 10th Anniversary of the Centre for Trade Policy and Law (CTPL) University of Ottawa, Ottawa, Canada, November 19.

Ghemawat, Pankaj. 2003. Semiglobalization and international business. Journal of International Business Studies, 34.2: 138-52.

O'Grady, Shawna and Henry Lane. 1996. The Psychic Distance Paradox. Journal of International Business Studies 27.2: 309-33.

Rugman, Alan and Alain Verbeke. 2001. Location, Competitiveness and the Multinational Enterprise. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 150-177.

UNCTAD. 2004. World Investment Report 2004: The Shift towards Services. Geneva and New York: United Nations. Chapter IV: The Offshoring of Corporate Services – the Next Global Shift? pp. 148-180.

**CLASS #8 -- MARCH 8, 2005**  
**INTERNALIZATION AND THE MODE OF ENTRY DECISION**

Buckley, Peter and Mark Casson. 2001. Strategic Complexity in International Business. In Rugman, Alan M. and Thomas L. Brewer (eds). 2001. The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Eden, Lorraine and Stewart Miller. 2004. Distance Matters: Liability of foreignness, institutional distance and ownership strategy. In M.A. Hitt & J.L.C. Cheng (eds.), *The Evolving Theory of the Multinational Firm. Advances in International Management*. Volume 16, Elsevier, Amsterdam, Netherlands.

Hennart, Jean-Francois and Jorma Larimo. 1998. The Impact of Culture on the Strategy of Multinational Enterprises: Does National Origin Affect Ownership Decisions? Journal of International Business Studies 29.3: 515-38.

Hennart, Jean-Francois. 1989. Can the New Forms of Investment Substitute for the Old Forms? A Transaction Costs Perspective. Journal of International Business Studies, summer: 211-34.

Gregory E. Osland, Charles R. Taylor and Shaoming Zou. 2001. Selecting international modes of entry and expansion. Marketing Intelligence & Planning. Vol. 1, No. 9: 153-161.

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Zhao, Hongxin, Yadong Luo and Taewon Suh. 2004. Transaction cost determinants and ownership-based entry mode choice: a meta-analytical review. Journal of International Business Studies, 35: 524-44.

**CLASS #9 --- MARCH 22, 2005**  
**INTERNATIONAL STRATEGIC ALLIANCES**

Contractor, Farok and Peter Lorange. 2002. The Growth of Alliances in the Knowledge-Based Economy. International Business Review 11: 485-502.

Gomes-Casseres, Benjamin. 1994. Group Versus Group: How Alliance Networks Compete. Harvard Business Review, July-August: 62-74.

Inkpen, Andrew and Paul Beamish. 1997. Knowledge, Bargaining Power, and the Instability of International Joint Ventures. Academy of Management Review Vol. 22, No. 1 (January): 177-202.

Inkpen, Andrew. 2001. Strategic Alliances. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 402-27.

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Sirmon, David G. and Peter J. Lane. 2004. A model of cultural differences and international alliance performance. Journal of International Business Studies, 35: 306-319.

**CLASS #10 -- MARCH 29, 2005**  
**BENEFITS AND COSTS OF FOREIGN DIRECT INVESTMENT**

Dunning, John. 1994. Re-evaluating the benefits of foreign direct investment. Transnational Corporations 3(1): 23-51.

Meyer, Klaus. Perspectives on multinational enterprises in emerging economies. 2004. Journal of International Business Studies 35: 259–276.

Moran, Theodore H. 2000. The product cycle model of foreign direct investment and developing country welfare. Journal of International Management, 6: 297-311.

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UNCTAD. 2004 World Investment Report 2004: The Shift towards Services. Geneva, United Nations. Chapter 2: Regional FDI Trends: A Mixed Picture.

**CLASS #11 - APRIL 5, 2005**  
**MULTINATIONALS IN EMERGING ECONOMIES**

Adnreff, Wladimir. 2002. The new multinational corporations from transition countries. Economic Systems, 26: 371-79.

Bartlett, Christopher and Sumantra Ghoshal. 2000. Going Global: Lessons from Latemovers. Harvard Business Review, March/April, vol. 78, issue2.

Hoskisson, R., Eden, L., Lau, C. and Wright, M. 2000. Strategy in emerging economies. Academy of Management Journal 43: 249–267.

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Khanna, Tarun and Krishna Palepu. 1999. The Right Way to Restructure Conglomerates in Emerging Markets. Harvard Business Review, pp. 125- 34.

Makino, Shige, Chung-Ming Lau and Rhy-Song Yeh. 2002. Asset-Exploitation Versus Asset-Seeking: Implications for Location Choice of Foreign Direct Investment from Newly Industrialized Economies. Journal of International Business Studies, 33, 3 (3<sup>rd</sup> Quarter): 403-421

Meyer, Klaus E. 2001. International Business Research on Transition Economies. In Alan M. Rugman

and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 716-59.

**CLASS #12 - APRIL 12, 2005**  
**THE CHANGING NATURE OF MNE-STATE RELATIONS**

Agmon, T. 2003. Who gets what: the MNE, the national state and the distributional effects of globalization. Journal of International Business Studies 34: 416-427.

Eden, Lorraine, Stephanie Lenway and Douglas Schuler. 2004. From the obsolescing bargain to the political bargaining model. In Robert Grosse (ed.) *International Business-Government Relations in the 21<sup>st</sup> Century*. Cambridge, UK: Cambridge University Press.

Encarnation, Dennis J. and Sushil Vachani. 1988. Foreign ownership: When hosts change the rules. Harvard Business Review, Sept-Oct., 152-160.

Luo, Yadong. 2001. Towards a Cooperative View of MNC-Host Country Relations: Building Blocks and Performance Implications. Journal of International Business Studies, 32.3 (3<sup>rd</sup> Quarter): 401-19.

Ramamurti, Ravi. 2001. The Obsolescing 'Bargain Model'? MNC-Host Developing Country Relations Revisited. Journal of International Business Studies, 32.1: 23-39.

Rugman, Alan and Alain Verbeke. 2001. Multinationals and Public Policy. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 818-42.

**CLASS #13 - APRIL 19, 2005**  
**MNE POLITICAL STRATEGIES**

Blumentritt, Timothy P. and Douglas Nigh. 2002. The Integration of Subsidiary Political Activities in Multinational Corporations. Journal of International Business Studies, 33.1 (1<sup>st</sup> Quarter): 57-77.

Boddewyn, Jean. 1988. Political Aspects of MNE Theory. Journal of International Business Studies, 18(3) Fall: 341-63.

Hillman, Amy. 2003. Determinants of political strategies in US multinationals. Business & Society 42: 455-484.

Hillman, Amy and Michael Hitt. 1999. Corporate political strategy formulation: A mode of approach, participation and strategy decisions. Academy of Management Journal, 24.4: 825-42.

Salorio, Eugene. 1993. "Strategic Use of Import Protection: Seeking Shelter for Competitive Advantage", in Alan Rugman and Alain Verbeke, Eds. Global Competition: Beyond the Three Generics. Research in Global Strategic Management, Volume 4. Greenwich, Connecticut: JAI Press, pp. 101-124.

Vachani, Sushil and N. Craig Smith. 2004. Socially responsible pricing: Lessons from the pricing of AIDS drugs in developing countries. California Management Review, 47.1 (Fall): 117-144.

**CLASS #14 --APRIL 26, 2005**  
**GOVERNMENT REGULATION OF MNES AND FDI**

Brewer, Thomas L. and Stephen Young. 2001. Multilateral Institutions and Policies: Their Implications for Multinational Business Strategy. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 282-313.

Doh, Jonathan, Peter Rodriguez, Klaus Uhlenbruck, Jamie Collins, Lorraine Eden. 2003. Coping with Corruption in Foreign Markets. Academy of Management Executive, 17.3: 114-127.

Eden, Lorraine and Robert Kudrle. 2005. Tax Havens: Renegade States in the International Tax Regime. Law and Policy. Vol. 27, No.1: xx-xx.

Eden, Lorraine. 2001. Taxes, Transfer Pricing and the Multinational Enterprise. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 591-619.

Globerman, Steven and Daniel Shapiro. 2003. Governance infrastructure and US foreign direct investment. Journal of International Business Studies, 34.1: 19-39.

Habib, Mohsin and Leon Zurawicki. 2002. Corruption and Foreign Direct Investment. Journal of International Business Studies, 33.2 (2<sup>nd</sup> Quarter): 291-307.



**ALL READINGS: REQUIRED, BACKGROUND AND OPTIONAL**  
**MGMT/IBUS 667 – MULTINATIONAL ENTERPRISES, SPRING 2005**  
**(Subject to Change - Last Revised January 14, 2005)**

<b>CLASS #1 --- JANUARY 18, 2005</b> <b>MULTINATIONALS AND FOREIGN DIRECT INVESTMENT: AN INTRODUCTION</b>
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**1. REQUIRED READING**

UNCTAD. 2002. World Investment Report 2002: Transnational Corporations and Export Competitiveness. Geneva, United Nations. Chapter 4: The Largest Transnational Corporations.

UNCTAD. 2004 World Investment Report 2004: The Shift towards Services. Geneva, United Nations. Chapter 3: The Growth of FDI in Services and Its Implications.

**2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter 1: Introduction to the Economics of International Business.

**3. WANT TO LEARN MORE? OPTIONAL READING**

UNCTAD. 2004 World Investment Report 2004: The Shift towards Services. Geneva, United Nations.  
Chapter 1: Global FDI Growth Set to Resume.  
Chapter 2: Regional FDI Trends: A Mixed Picture.

<b>CLASS #2 -- JANUARY 25, 2005</b> <b>THE OLI/ECLECTIC PARADIGM</b>
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**1. REQUIRED READING**

Dunning, John. 1995. Reappraising the Eclectic Paradigm in an Age of Alliance Capitalism. Journal of International Business Studies 26.3: 461-91.

Dunning, John H. 2001. The Key Literature on IB Activities: 1960-2000. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Dunning, John H. 2003. The Eclectic (OLI) Paradigm of International Production: Past, Present and Future. In John Cantwell and Rajneesh Narula (eds.) International Business and the Eclectic Paradigm: Developing the OLI Framework. London and New York: Routledge.

Eden, Lorraine. 2003. A Critical Reflection and Some Conclusions on OLI. In John Cantwell and Rajneesh Narula (eds.) International Business and the Eclectic Paradigm: Developing the OLI

Framework. London and New York: Routledge.

Itaki, Masahiko. 1991. "A Critical Assessment of the Eclectic Theory of the MNE", Journal of International Business Studies Vol.22, No.3 (third quarter): 445-60.

## **2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter x: The OLI Paradigm.

## **3. WANT TO LEARN MORE? OPTIONAL READING**

Agarwal, Sanjeev and Sridhar Ramaswami. 1992. Choice of Foreign Market Entry Mode: Impact of Ownership, Location and Internalization Factors. Journal of International Business Studies, 1<sup>st</sup> quarter: 1-27.

Brouthers, Lance, Keith Brouthers and Steve Werner. 1999. Is Dunning's Eclectic Paradigm Descriptive or Normative? Journal of International Business Studies, 30.4 (4<sup>th</sup> Quarter): 831-44.

Dunning, John. 2000. The eclectic paradigm as an envelope for economic and business theories of MNE activity. International Business Review 9: 163-90.

<b>CLASS #3 --- FEBRUARY 1, 2005</b> <b>THEORIES OF THE MULTINATIONAL ENTERPRISE</b>
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## **1. REQUIRED READING**

Hennart, Jean-Francois. 2001. Theories of the Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Hofstede, Geert. 1994. The business of international business is culture. International Business Review, 3.1: 1-14. Reprinted in Peter Buckley and Pervez Ghauri, 1999. The Internationalization of the Firm, Second Edition (London, UK: Thompson Business Press), pp. 381-93.

Kogut, Bruce and Udo Zander. 1993. Knowledge of the Firm and the Evolutionary Theory of the Multinational Corporation. Journal of International Business Studies 24(4): 625-45.

Kogut, Bruce and Udo Zander. 2003. A memoir and reflection: knowledge and an evolutionary theory of the multinational firm 10 years later. Journal of International Business Studies (2003) 34, 505–515

Shenkar, Oded. 2004. One more time: international business in a global economy. 2004. Journal of International Business Studies 35, 161–171.

Westney, D. Eleanor and Srilata Zaheer. 2001. The Multinational Enterprise as an Organization. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 349-79.

## **2. BACKGROUND READING**

Eden, Lorraine. 2005. Notes on Transaction Cost Economics. Mimeo.

## **3. WANT TO LEARN MORE? OPTIONAL READING**

Buckley, Peter. 2002. Is the international business research agenda running out of steam? Journal of International Business Studies, 33, 2 (2<sup>nd</sup> quarter): 365–373.

Ghoshal, Sumantra and Christopher Bartlett. 1990. The multinational corporation as an interorganizational network. Academy of Management Review 15.4: 603-25.

Kogut, Bruce. 2001. Methodological contributions to international business and the direction of economic research activity. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Kostova, Tatiana and Srilata Zaheer. 1999. Organizational legitimacy under conditions of complexity: The case of the multinational enterprise, Academy of Management Review, 24: 64-81.

Markusen, James R. 2001. International Trade Theory and International Business. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Morck, Randall and Bernard Yeung. 1991. Why investors value multinationality. Journal of Business, 64 (2):165-187.

Peng, Mike. 2004. Identifying the big question in international business research. Journal of International Business Studies, 35, 99–108.

Wilkins, Mira. 2001. The History of Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

<p style="text-align: center;"><b>CLASS #4 --- FEBRUARY 8, 2005</b> <b>STRATEGIC MANAGEMENT AND THE MULTINATIONAL ENTERPRISE</b></p>
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## **1. REQUIRED READING**

Holt, Douglas B., John A. Quelch, and Earl L. Taylor. 2004. How global brands compete. Harvard Business Review, September: 68-75.

Karmarkar, Uday. 2004. Will you survive the services revolution? Harvard Business Review, June: 101-107.

Porter, Michael. 1991. Towards a dynamic theory of strategy. Strategic Management Journal, 12: 95-117.

Ricart, Joan Enric, Michael J. Enright, Pankaj Ghemawat, Stuart L Hart and Tarun Khanna. 2004. New

frontiers in international strategy. Journal of International Business Studies, 35: 175-2000.

Rugman, Alan and Alain Verbeke. 2003. Extending the theory of the multinational enterprise: internalization and strategic management perspectives. Journal of International Business Studies, 34.2: 125-37.

Rugman, Alan and Alain Verbeke. 2004. A perspective on regional and global strategies of multinational enterprises. Journal of International Business Studies, 35: 3-18.

Tallman, Stephen and George Yip. 2001. Strategy and the Multinational Enterprise. In Rugman, Alan M. and Thomas L. Brewer (eds). 2001. The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

## **2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter x: Global Strategic Management.

Levitt, Theodore. 1983. The globalization of markets. Harvard Business Review, May-June: 92-102.

Ghemawat, Pankaj. 1986. Sustainable advantage. Harvard Business Review, Sept-Oct.: 53-58.

Prahalad, C.K and Gary Hamel. 1990. The core competence of the corporation. Harvard Business Review, May-June: 79-91.

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## **3. WANT TO LEARN MORE? OPTIONAL READING**

Birkinshaw, Julian. 2001. Strategy and Management in MNE Subsidiaries. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 380-401.

Doz, Yves, Jose Santos and Peter Williamson. 2001. From Global to Metanational: How Companies Win in the Knowledge Economy. Cambridge, MA: Harvard Business School Press. Chapter 1.

Fahy, John. 2002. A resource-based analysis of sustainable competitive advantage in a global environment. International Business Review 11, 57-78. (Science Direct)

Kogut, Bruce. 1999. What makes a company global? Harvard Business Review, 165-170.

Paterson, S.L. and D.M. Brock. 2002. The development of subsidiary-management research: review and theoretical analysis. International Business Review, 11: 139-163.

Spanos, Yiannis and Spyros Lioukas. 2001. An Examination into the Causal Logic of Rent Generation: Contrasting Porter's Competitive Strategy Framework and the Resource-Based Perspective. Strategic Management Journal, 22: 907-34.

Stabell, Charles and Oystein Fjeldstad. 1998. Configuring Value for Competitive Advantage: On Chains,

Shops and Networks. Strategic Management Journal, 19: 413-37.

UNCTAD. 2001. World Investment Report 2001: Promoting Linkages. Chapter III: The Largest Transnational Corporations and Corporate Strategies.

Wolf, Joachim and William Egelhoff. 2002. A reexamination and extension of international strategy-structure theory. Strategic Management Journal, 23: 181-89.

<p style="text-align: center;"><b>CLASS #5 -- FEBRUARY 15, 2005</b> <b>GOING GLOBAL: ENTRY, EXPANSION AND TIMING</b></p>
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### **1. REQUIRED READING**

Farrell, Diana. 2004. Beyond offshoring: Assess your company's global potential. Harvard Business Review, December.

Ghemawat, Pankaj. 2001. Distance still matters: The hard reality of global expansion. Harvard Business Review, September, 137-147.

Miller, Kent D. and Timothy B. Folta. 2002. Option Value and Entry Timing. Strategic Management Journal, 23: 655-65.

Rivoli, Pietra and Eugene Salorio. 1996. Foreign Direct Investment and Investment under Uncertainty. Journal of International Business Studies 27.2: 335-57.

Vermeulen, Freek and Harry Barkema. 2002. Pace, Rhythm and Scope: Process Dependence in Building a Profitable Multinational Enterprise. Strategic Management Journal. 23: 637-53.

Zahra, Shaker. 2004. A theory of international new ventures: a decade of research. Journal of International Business Studies, 1-9.

Zook, Chris and James Allen. 2003. Growth outside the core. Harvard Business Review, Dec: 66-73.

### **2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter x: Going Global.

### **3. WANT TO LEARN MORE? OPTIONAL READING**

Contractor, Farok, Sumit K. Kundu and Chin-Chun Hsu. 2003. A three-stage theory of international expansion: the link between multinationality and performance in the service sector. Journal of International Business Studies, 34: 5-18.

Delios, Andrew and Witold Henisz. 2003. Policy uncertainty and the sequence of entry by Japanese firms, 1980-1998. Journal of International Business Studies 34: 227-241.

Johanson, Jan and Jan-Erik Vahlne. 1977. The Internationalization Process of the Firm: A Model of

Knowledge Development and Increasing Foreign Market Commitments. Journal of International Business Studies, 8.1: 23-32.

Knight, Gary A. and S. Tamar Cavusgil. 2004. Innovation, organizational capabilities, and the born-global firm. Journal of International Business Studies, 35: 24-41.

Oviatt, Benjamin and Patricia Phillips McDougall. 1994. Towards a Theory of International New Ventures. Journal of International Business Studies 25(1): 45-64.

<p style="text-align: center;"><b>CLASS #6 -- FEBRUARY 22, 2005</b> <b>KNOWLEDGE FLOWS AND THE MULTINATIONAL ENTERPRISE</b></p>
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### **1. REQUIRED READING**

Cantwell, John. 2001. Innovation and Information Technology in MNE. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 431-56.

Chung, Wilbur. 2001. Identifying Technology Transfer in Foreign Direct Investment: Influence of Industry Conditions and Investing Firm Motives. Journal of International Business Studies, 2<sup>nd</sup> Quarter, 32.3: 211-229.

Eden, Lorraine, Edward Levitas and Richard Martinez. 1997. The Production, Transfer and Spillover of Technology: Comparing Large and Small Multinationals as Technology Producers. Small Business Economics. 9.1. (February): 53-66.

Grosse, Robert. 1996. International Technology Transfer in Services. Journal of International Business Studies Vol.27, No.4 (4th Quarter): 781-800.

Kuemmerle, Walter. 1997. Building effective R&D capabilities abroad. Harvard Business Review, March-April: 61-70.

Kuemmerle, Walter. 1999. The Drivers of Foreign Direct Investment into Research and Development: An Empirical Investigation. Journal of International Business Studies, 30.1: 1-24.

### **2. BACKGROUND READING**

### **3. WANT TO LEARN MORE? OPTIONAL READING**

Anand, Jaideep and Bruce Kogut. 1997. Technological Capabilities of Countries, Firm Rivalry and Foreign Direct Investment. Journal of International Business Studies, 3<sup>rd</sup> Quarter: 445-65.

Birkinshaw, Julian, Neil Hood and Stefan Jonsson. 1998. Building firm-specific advantages in multinational corporations: The role of subsidiary initiative. Strategic Management Journal 19: 221-41.

Gupta, Anil and Vijay Govindarajan. 2000. Knowledge flows within multinational corporations. Strategic

Management Journal 21: 473-96.

Knight, Gary A. and S. Tamar Cavusgil. 2004. Innovation, organizational capabilities, and the born-global firm. Journal of International Business Studies, 35: 124-141.

Murtha, Thomas. 2004. The metanational firm in context: competition in knowledge-driven industries. In Michael Hitt and Joseph Cheng (eds). *Theories of the Multinational Enterprise: Diversity, Complexity and Relevance*. *Advances in International Management*, Volume 16, 101–136.

<b>CLASS #7 -- MARCH 1, 2005 (Note: This date must be changed.)</b> <b>MNE LOCATION AND INTERNATIONAL PRODUCTION STRATEGIES</b>
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### **1. REQUIRED READING**

Buckley, Peter J. and Pervez N. Ghauri. 2004. Globalization, economic geography and the strategy of multinational enterprises. Journal of International Business Studies, 35: 81-98.

Eden, Lorraine. 2004. Strategies of North American Multinationals in the New Regionalism. Presented at the Trade and Investment Conference Celebrating the 10th Anniversary of the Centre for Trade Policy and Law (CTPL) University of Ottawa, Ottawa, Canada, November 19.

Ghemawat, Pankaj. 2003. Semiglobalization and international business. Journal of International Business Studies, 34.2: 138-52.

O'Grady, Shawna and Henry Lane. 1996. The Psychic Distance Paradox. Journal of International Business Studies 27.2: 309-33.

Rugman, Alan and Alain Verbeke. 2001. Location, Competitiveness and the Multinational Enterprise. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 150-177.

UNCTAD. 2004. World Investment Report 2004: The Shift towards Services. Geneva and New York: United Nations. Chapter IV: The Offshoring of Corporate Services – the Next Global Shift? pp. 148-180.

### **2. BACKGROUND READING**

Porter, Michael. 1986. Changing patterns of international competition. California Management Review, 28.2 (winter): 9-40.

Porter, Michael. 1990. The competitive advantage of nations. Harvard Business Review, March-April: 73-93.

Porter, Michael. 1998. Clusters and the New Economics of Competition. Harvard Business Review, Nov-Dec.: 76-90.

### **3. WANT TO LEARN MORE? OPTIONAL READING**

Buckley, Peter J and Niron Hashai. 2004. A global system view of firm boundaries. Journal of International Business Studies, 35: 33-45.

Dunning, John. 1998. Location and the Multinational Enterprise. A neglected factor? Journal of International Business Studies, 29(1): 45-66.

Gastanaga, Victor, Jeffrey Nugent and Bistra Pashamova. 1998. Host Country Reforms and FDI Inflows: How Much Difference Do They Make? World Development, 26.7: 1299-1314.

Loree, David and Stephen Guisinger. 1995. Policy and Non-policy Determinants of US Equity Foreign Direct Investment. Journal of International Business Studies 26.2: 281-99.

Makino, Shige, Takehiko Isobe and Christine M. Chan. 2004. Does country matter? Strategic Management Journal, 25: 1027-1043.

Rangan, Subrmanian and Aldemir Drummond. 2004. Explaining outcomes in competition among foreign multinationals in a focal host market. Strategic Management Journal, 25: 285-293.

Trevino, Len and Robert Grosse. 2002. An Analysis of Firm-Specific Resources and Foreign Direct Investment in the United States. International Business Review, 11: 431-52.

UNCTAD. 2001. World Investment Report 2001: Promoting Linkages. Read Chapter I: The Geography of International Production. And Chapter II: Mapping International Production.

UNCTAD. 2002. World Investment Report 2002: TNCs and Export Competitiveness. Geneva and New York: United Nations. Chapter V: International Production Systems, pp. 121-142.

Xu, Dean and Oded Shenkar. 2002. Institutional Distance and the Multinational Enterprise. Academy of Management Review, 27(4): 608-18.

<p style="text-align: center;"><b>CLASS #8 -- MARCH 8, 2005</b> <b>INTERNALIZATION AND THE MODE OF ENTRY DECISION</b></p>
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### **1. REQUIRED READING**

Buckley, Peter and Mark Casson. 2001. Strategic Complexity in International Business. In Rugman, Alan M. and Thomas L. Brewer (eds). 2001. The Oxford Handbook of International Business. Oxford, UK: Oxford University Press.

Eden, Lorraine and Stewart Miller. 2004. Distance Matters: Liability of foreignness, institutional distance and ownership strategy. In M.A. Hitt & J.L.C. Cheng (eds.), *The Evolving Theory of the Multinational Firm. Advances in International Management*. Volume 16, Elsevier, Amsterdam, Netherlands.

Hennart, Jean-Francois and Jorma Larimo. 1998. The Impact of Culture on the Strategy of Multinational Enterprises: Does National Origin Affect Ownership Decisions? Journal of International Business Studies 29.3: 515-38.



Hennart, Jean-Francois. 1989. Can the New Forms of Investment Substitute for the Old Forms? A Transaction Costs Perspective. Journal of International Business Studies, summer: 211-34.

Gregory E. Osland, Charles R. Taylor and Shaoming Zou. 2001. Selecting international modes of entry and expansion. Marketing Intelligence & Planning. Vol. 1, No. 9: 153-161.

Pan, Yigang and David Tse. 2000. The hierarchical model of market entry modes. Journal of International Business Studies, 31.4 (4<sup>th</sup> Quarter): 535-554.

Zhao, Hongxin, Yadong Luo and Taewon Suh. 2004. Transaction cost determinants and ownership-based entry mode choice: a meta-analytical review. Journal of International Business Studies, 35: 524-44.

## **2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter x: The Mode of Entry Decision.

## **3. WANT TO LEARN MORE? OPTIONAL READING**

Anderson, Erin and Hubert Gatignon. 1986. Modes of Foreign Entry: A Transaction Cost Analysis and Propositions. Journal of International Business Studies, Fall: 1-26.

Brouthers, Keith and Lance Brouthers. 2001. Explaining the National Cultural Distance Paradox. Journal of International Business Studies, 32.1: 177-89.

Buckley, Peter and Mark Casson. 1976. The Future of the Multinational Enterprise. London: Macmillan. Chapter 2, "A Long-Run Theory of the Multinational Enterprise", pp. 32-65.

Chang, Sea-Jin and Philip M. Rosensweig. 2001. The Choice of Entry Mode in Sequential Foreign Direct Investment. Strategic Management Journal, 22: 747-76.

Dhanaraj, Charles and Paul W. Beamish. 2004. Effect of equity ownership on the survival of international joint ventures. Strategic Management Journal, 25: 295-305.

Makino, Shige and Kent Neupert. 2000. National Culture, Transactions Costs, and the Choice Between Joint Venture and Wholly Owned Subsidiary. Journal of International Business Studies, 31.4: 705-13.

Tallman, Stephen and Oded Shenkar. 1994. A Managerial Decision Model of International Cooperative Venture Formation. Journal of International Business Studies 25(1): 91-113.

**CLASS #9 --- MARCH 22, 2005**  
**INTERNATIONAL STRATEGIC ALLIANCES**

**1. REQUIRED READING**

Contractor, Farok and Peter Lorange. 2002. The Growth of Alliances in the Knowledge-Based Economy. International Business Review 11: 485-502.

Gomes-Casseres, Benjamin. 1994. Group Versus Group: How Alliance Networks Compete. Harvard Business Review, July-August: 62-74.

Inkpen, Andrew and Paul Beamish. 1997. Knowledge, Bargaining Power, and the Instability of International Joint Ventures. Academy of Management Review Vol. 22, No. 1 (January): 177-202.

Inkpen, Andrew. 2001. Strategic Alliances. In Alan M. Rugman and Thomas L. Brewer (eds). The Oxford Handbook of International Business. Oxford, UK: Oxford University Press, pp. 402-27.

Oxley, Joanne and Rachelle Sampson. 2004. The scope and governance of international R&D alliances. Strategic Management Journal, 25: 723-749.

Sirmon, David G. and Peter J. Lane. 2004. A model of cultural differences and international alliance performance. Journal of International Business Studies, 35: 306-319.

**2. BACKGROUND READING**

Eden, Lorraine. 2005. *The Economics of International Business* (mimeo). Chapter x: International Strategic Alliances.

Hamel, Gary, Yves Doz and C. K. Prahalad. 1989. Collaborate with your competitors and win. Harvard Business Review, Jan-Feb: 133-139.

**3. WANT TO LEARN MORE? OPTIONAL READING**

Das, T.K. and Bing-Sheng Teng. 1999. Managing risks in strategic alliances. Academy of Management Executive, 13.4: 50-62.

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<p style="text-align: center;"><b>CLASS #10 -- MARCH 29, 2005</b> <b>BENEFITS AND COSTS OF FOREIGN DIRECT INVESTMENT</b></p>
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<b>CLASS #11 - APRIL 5, 2005</b> <b>MULTINATIONALS IN EMERGING ECONOMIES</b>
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<b>CLASS #12 - APRIL 12, 2005</b> <b>THE CHANGING NATURE OF MNE-STATE RELATIONS</b>
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<b>CLASS #13 - APRIL 19, 2005</b> <b>MNE POLITICAL STRATEGIES</b>
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<b>CLASS #14 --APRIL 26, 2005</b> <b>GOVERNMENT REGULATION OF MNES AND FDI</b>
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