

Multinational Corporations
(Liberal Studies)

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Fall 2008

Course Objective: The study of Multinational Corporations brings together several disciplines. In this course we shall be emphasizing economics and business. The course material, however, does not assume any prior knowledge of either one of the two disciplines above. Moreover, we shall discuss a few issues which involve value judgments, for example pharmaceutical companies and AIDS, sweatshops and child labor.

Course Requirement:

Mid-Term (Take-home): 40%

Final (Take-home): 40%

Class Participation: 20%

Honor Code: Even though the exams are take-home, you are expected to answer the questions by yourself. Any exchange of written material or verbal consultations will be considered to be a violation of the University's Honor Code.

Book: Custom Course pack, Pearson Publishing. (Available from Xanedu).

The Syllabus

1. Explaining Direct Foreign Investment (DFI)

Different Theories:

a) Baldwin: "Determinants of the Commodity Structure of U.S. Trade," Reading 1 in Baldwin and Richardson (B&R), ed. International Trade and Finance, 2nd Edition, Little Brown, 1981, .

b) Vernon: "International Investment and International Trade in the Product Cycle," in (B&R), Reading 2.

c) Magee: "Information and the MNC," (B&R), Reading 12.

Microsoft's Troubles in China (from Hill's "Int'l Business", Fourth Ed.)

d) Rugman "A new Theory of the Multinational Enterprise: Internationalization versus Internalization", Columbia Journal of World Business, Spring 1980.

The Eclectic Approach:

a) Dunning International Production and the Multinational Enterprise, Allen and Unwin, 1981. Chapter 2.

McDonald's Corporation in Emerging Markets (from Daniels "Int'l Business" Tenth Ed., p 103)

Wal-Mart de Mexico (from Daniels "Int'l Business" Tenth Ed., p 230)

b) Dunning op. cit., Chapter 4.

Disney Theme Parks (from Daniels "Int'l Business" Tenth Ed., p 24)

Toyota in France (from Hill's "Int'l Business", Fourth Ed.

c) Porter: "The competitive advantage of nations", Harvard Business Review, March 1990.

The Rise of Finland's Nokia (Hill, Fourth Ed., p.152)

Competitive Advantage at Dell Computer (Hill, Fifth Edition, pp.555-56)

2. Banking and Mining Multinationals

a) U.N.Center on TNCs: "Explaining the growth of foreign direct investment and transnational corporations", Transnational Corporations in Economic Development, 1988.

Deutsche Bank's Pan-European Retail Banking Strategy (Hill, Fourth Ed. p.288)

Citigroup (Hill, Third Ed.)

ING in the U.S. Market (Hill, Fourth Ed. p.473)

Merrill-Lynch in Japan (Hill, Fifth Ed. p.510-11)

b) Shafer: "Capturing the Mineral Multinationals," in T.Moran (ed.) Multinational Corporations, Lexington Books, 1985.

LUKoil (from Daniels "Int'l Business" Tenth Ed., p 235)

Saudi Aramco (from Daniels "Int'l Business" Tenth Ed., p 345)

Royal Dutch Shell/Nigeria (from Daniels "Int'l Business" Tenth Ed., p 405)

3. Globalization: U.S. and LDC Issues

a) Intellectual Property Rights

Pharmaceuticals and Intellectual Property Rights (from Daniels "Int'l Business" Tenth Ed., p 405)

Drug Patents and the AIDS Epidemic in South Africa (Hill, Fifth Ed, p.54)

b) Labor

What Are Fair Labor Practices Anyway? (from Daniels "Int'l Business" Tenth Ed., p 638)

Nike: The Sweatshop Debate (Hill, Fifth Ed, pp128-131)