



3-WEEK CONCENTRATION COURSE

Foreign Investment in Emerging Economies

July 17th – August 7th 2015

Professors:

Mariella Olivos Rossini

Edmundo Lizarzaburu

Eduardo Mantilla

Elda Cantú

1. General Course Data

Course Name	: Foreign Investment in Emerging Economies	Code	: -
Requirement	: A minimum of 120 credits Intermediate English I	Semester	: Elective
Esan Credits	: 3	Length	: 3 weeks (56 hours)
Course Dates	: July 17 th - August 7 th 2015		

2. Course Overview

The course “Foreign Investment in Emerging Economies” offered a comprehensive look at how to conduct business in emerging markets, in particular, how to do so from the Latin-American reality. This intensive 3-week concentration course is designed for any student interested to gain an understanding of the role that emerging markets play in fostering growth in the global economy, and their potential to supplant developed markets.

The course and its frameworks help students to gain a strategic thinking to detect business opportunities and attract foreign direct investment, being aware to deal with cultural aspects related with leadership, styles of management and financial risks.

The course is organized in four main topics which are offered by 4 faculty expert of the School of Economics and Management at ESAN University.

3. Course Objectives

This course offers a conceptual framework from diverse perspectives and disciplines considering the following goals:

- To build the basic analytical skills to understand differences in business communication and Hispanic leadership style with a specialized knowledge of the cultural environment of the Latin American region and especially in Peru.
- To familiarize students with Latin American trade agreements. Participants will apply the main concepts, theories and trends in international political economy to the hemispheric context.
- To provide the knowledge required to analyze the Peruvian economy and its growth during the last 20 years, including also the recent economic policies and the opportunities for investing in private activities.
- To understand the nature, objectives and difficulties of risk management as a tool to guide decisions that maximizes the company's value.

4. Learning Outcomes

The course places a strong emphasis on the practical skills essential to successful management careers. By the end of this course, students will be able to perform effectively in the Latin American environment.

TOPIC	LEARNING OUTCOMES
<p>Cross cultural management & leadership in Latin America</p>	<ul style="list-style-type: none"> • To comprehend a particular organizational context as it is the Latin American region. • To cite a definition of culture and describe its components and complexities. • To identify students own cultural profile and to learn a tool for analyze cultural style and differences between countries • To describe interactional behaviors common among cultures in Latin America, in social and professional areas as family roles, gender roles, team work, hierarchy dimension.
<p>Economic Integration</p>	<ul style="list-style-type: none"> • Identify the main stages of economic integration using Latin American examples • Apply the most important concepts of International Political Economy to the Latin American context. • Understand the main challenges to economic integration in the Americas. • Acquire a general overview of current political economy in the Americas. • Discuss in an informed, articulate and respectful matter the main trends in current Latin American politics. • Use critical thinking to report in written form on assigned readings • Participate in class discussions in an articulate and respectful manner
<p>Economic and Business Development in Peru</p>	<ul style="list-style-type: none"> • Understand the basis and structure that sustained the economic growth during the last 20 years in Peru. • Identify the investment opportunities on different economic sectors, such as fishery, textile, tourism, energy, mining, construction. • Analyze the impact of free-trade agreements on Peruvian economy and the opportunities created by them, knowing the most important agreements signed by the Peruvian government.

Dealing with risk in financial markets in Latin America	<ul style="list-style-type: none"> • Explain how modern corporations have to follow risk management methods. • Explain the roles and structure of the risk function and the nature of relationships with other areas in the organization. • Use models from financial and risk theory to support risk analysis and guide decisions that maximize the company's value.
---	--

5. Teaching Methodology

- Reading, reflection and participation
- Case studies
- Group works
- Lectures
- Assignments / Quizzes

6. Evaluation

The course considers an accumulative and integrated evaluation which includes the completion of a mid-term exam, a final exam and regular assignments. The latter is called Permanent Evaluation Grade (PEG) and consists of 01 reading controls per course (30%), 01 group assessments per course (50%) and other activities proposed by each professor (20%). None of these grades will be cancelled nor substituted.

The final grade (FG) will be calculated using the following formula:

$$FG = (0.20 \times MT) + (0.20 \times FE) + (0.60 \times PEG)$$

PEDG = Permanent Evaluation Grade (TA)
 FE = Final Exam (EF)
 MT = Mid-Term Exam (EF)

*Minimum passing grade: 11.00

7. Content

TOPIC	CONTENT
-------	---------

<p>Cross cultural management & leadership in Latin America (16 hours)</p>	<ul style="list-style-type: none"> • Introduction to the concept of culture. Understanding cross-cultural management dimensions. • Communication and culture. Style of communication. ¿Same language does mean same meanings? • The Latin American Region, stereotypes and social facts • Cultural Traits Similarities and differences in the LA region. • Leadership across cultures. • Tips for customization Practices in South America
<p>Economic Integration (14 hours)</p>	<ul style="list-style-type: none"> • International Political Economy and Latin America • Levels of Economic Integration Applied to Latin America • The Latin American Spaghetti Bowl • Latin America in the Global Context
<p>Economic and Business Development in Peru (14 hours)</p>	<ul style="list-style-type: none"> • General Economic Growth Theories and Peruvian Evidence • Development Theories and Peruvian Facts • International Policy and Trade Agreements • Investment opportunities in Peru
<p>Dealing with risk in financial markets in Latin America (16 hours)</p>	<ul style="list-style-type: none"> • Introduction to Risk Management • Statistics used in Risk • Risk Management • Corporate Risk • Tools to cover risk • The international Risk Manager: challenges and opportunities

8. Bibliography

TOPIC	REFERENCES
-------	------------

<p>Cross cultural management & leadership in Latin America</p>	<ul style="list-style-type: none">• Patricia Friedrich, Luiz Mesquita and Andrés Hatum, The Meaning of Difference, Beyond Cultural and Managerial Homogeneity Stereotypes of Latin America.• Romero Eric, Hispanic Identity and Acculturation Implications for Management, Cross Cultural Management 2004 Vol 11 No1• Romero Eric Latin American Leadership: El Patrón & y el líder moderno Cross Cultural Management 2004 vol11 no 3• Trompenars Fons, Hampden-Turner. "Riding the waves of culture" Understanding Diversity in Global Business• Asgary, Nader & Walle, Alf (2002) "The Cultural Impact of Globalization: Economic activity and Social Change", Cross Cultural Management, Vol 9 Number 3, pp 58-75• Hofstede, Gert ,Jan, Pedersen, Paul B. Hofstede Geert Exploring Culture, Exercises Stories and Synthetic Cultures
--	--

Economic Integration

- A Altman, Daniel "Time for the Little Guys to Block Up" (2013) Foreign Policy Available online: http://www.foreignpolicy.com/articles/2013/06/25/time_for_little_guys_bloc_up_free_trade
- Altman, Daniel "Free Trade: You are Doing It Wrong" (2013) Foreign Policy Available online: http://www.foreignpolicy.com/articles/2013/02/04/free_trade_you_re_doing_it_wrong?page=0,1
- Devlin, Robert, Estevadeordal, Antoni and Luis Jorge Garay (2000) "Some Economic and Strategic Issues in the Face of the Emerging FTAA" in Domínguez, Jorge I. The Future of Inter-American Relations The Inter American Dialogue Press /Routledge: New York. See also an updated version of the previous work here: <http://www6.iadb.org/res/publications/pubfiles/pubS-106.pdf>
- Friedman, Thomas L. (2000) "Five Gas Stations Theory of the World Economy." The Lexus and the Olive Tree. New York: Farrar, Strauss and Giroux
- Gilpin, Robert (2009) "The Nature of Political Economy" in Art, Robert and Robert Jervis International Politics. Enduring Concepts and Contemporary Issues Pearson: New York.
- Harding, Gareth (2012) "The Myth of Europe" Foreign Policy Available Online: http://www.foreignpolicy.com/articles/2012/01/03/the_myth_of_europe
- Hiscox, Michael J. (2005) "The Domestic Sources of Foreign Economic Policies" in Art, Robert and Robert Jervis International Politics. Enduring Concepts and Contemporary Issues Pearson: New York. pp 280-289
- Rodrik, Dani (2000) "How Far Will International Economic Integration Go?" Journal of Economic Perspectives. 14.1: 177-186.
- Aggarwal, Vinod K., Ralph Espach and Joseph S. Tulchin The Strategic Dynamics of Latin American Trade Woodrow Wilson Center Press Washington, DC
- Domínguez, Jorge I. The Future of Inter-American Relations The Inter American Dialogue Press /Routledge.
- Medeiros, Marcelo and Maria Isabel Meunier (2011) "The Cognitive Dimension of Regional Integration in Latin America: What Does Neo-Bolivarianism Mean?" IPSA Papers Available Online: <http://saopaulo2011.ipsa.org/sites/saopaulo2011.ipsa.org/files/papers/paper-1178.pdf>

<p>Economic and Business Development in Peru</p>	<ul style="list-style-type: none"> • Aghion, P., and Durlauf, S. (2007) From Growth Theory to Policy Design. Commission on Growth and Development World Bank. WP 57. • Carranza, E., Fernández-Baca, J., and Morón E. (2012) Peru: Markets, Government and the Sources of Growth. Working Paper, Universidad del Pacífico. • Dalgaard, C. and Erickson, L. (2006) Solow Versus Harrod-Domar: Reexamining the Aid Costs of the First Millennium Development Goal. Working Paper, International Monetary Fund. • Duran, J., De Miguel, C., and Schuschny, A. (2007) Trade Agreements by Colombia, Ecuador and Peru with the United States: effects on trade, production and welfare. CEPAL Review, 91. • Mankiw N. G., Romer, D., and Weil, D. (1992) A Contribution to Empirics of Economic Growth. The Quarterly Journal of Economics, p. 407-437. • Mookherjee, D., and Ray D. (1999) Readings in the Theory of Economic Development. Working Paper, New York University.
<p>Dealing with risk in financial markets in Latin America</p>	<p>A Collection of Harvard Business School Cases:</p> <ul style="list-style-type: none"> • Sears, Roebuck and Co, vs. Walmart Stores Inc, Harvard School of Cases, January 19th, 2006 <p>A collection of Cases and Papers from several authors:</p> <ul style="list-style-type: none"> • Strategic Alliance: Case Study of Competitive Positioning. World Review of Entrepreneurship, Management & Sustainable Development <p>Books:</p> <ul style="list-style-type: none"> • Erich A. Helfert. Techniques of Financial Analysis. A guide to Value Creation. McGraw Hill. Series in Finance, Insurance, and Real Estate • Das, S (2006), Risk Management, Wiley Finance • Jorion, P (2009), Financial Risk Manager HandBook, Wiley Finance.