

International Risk Analysis. Economic, Social, Political Environment.

Professor: Anna Solé

Office hours: Monday, from 17:00 to

18:00 **Course Type:** Compulsory

Credits: 3 ECTS

Term: 1st

1. COURSE PRESENTATION

Course Description

Introduction

Globalization has led to an unprecedented number of companies and individuals that operate worldwide, with increasing interdependency between the different parts of the Globe. Any local political, economic, or social event might produce consequences to distant countries. Consequently, the fundamentals that determine the business models and the business strategies of entire industries (like customers, suppliers, competitors and physical resources or available technologies) are becoming much more interrelated and, in particular, increasingly international and mobile. International interdependency has created fresh business opportunities but has also generated new risks. These risks are totally different to those existing in the traditional closed economies. Under these new conditions, assessing and, if possible, controlling or, at least, adapting optimally to those new challenges has become crucial for companies, organizations and entrepreneurs to succeed.

MSc in International Business (2024/25)

Contents

The course is made up of three parts.

1. The first part introduces the main technical concepts and general mind frames to think about international business risks: the categorization of international business risks, the PESTLE analysis, an introduction to international finance and a brief summary of the leading accounts about globalization by the some of the most influencing experts
2. The second part reports some stylized facts and reviews a selected set of particularly well-credited sources of information about economic, political, social and environmental prospects. This block concludes with a synthesis section which identifies some relevant global challenges and risks
3. Finally, the third part of the course constitutes an application of the previous material to specific territories, the BRIC countries as well as other geographical areas of particular economic importance. The specific goal of this part is to provide course participants with a bird's-eye view of the regional particularities companies and organizations face when doing business in these areas.

Objectives

The objective of this course is to equip the participants with the analytical tools and make them familiar with the most reliable information sources and concepts necessary to assess the international business environment. The course perspective on this far-reaching goal is manifold and it combines insights from economics, business strategy and geopolitics. By blending these approaches, the course aims to upgrade participants' ability to elaborate original and critical thinking in these complex, global issues.

This course is included in the subject **Business environment analysis**, which has the following learning outcomes:

The student will be able to recognise the most advanced knowledge and core competences in the organisation and management of the activities of a foreign trade department.

RA2. Mat.1.1 Interpret the current and future situation of the international economic, legal, social and political environment.

The student will be able to decide the optimal way for the company to enter international markets by participating in international negotiation processes in the professional context.

MSc in International Business (2024/25)

RA4. Mat.1.2 Analyse the sector, competition, market, consumer and distribution of each pre-selected country.

RA4. Mat.1.3 Resolve the legal-administrative formalities and procedures required in the internationalisation process.

The student will be able to identify business opportunities in foreign markets in order to analyse the viability of business activities at an international level.

RA1. Mat.1.4 Relate historical and current economic, social and political events to knowledge of international economics and law.

The student will be able to use the information technologies available at the time and the most appropriate communication techniques in the academic and professional fields applied to the internationalisation of business during the master's degree.

RA6. Mat.1.5 Implement the main sources of information and documentation at international level.

The student will be able to develop the ability to assess gender and sex inequalities in order to design solutions in the different executions during the master's degree applied to international business management.

RA9. Mat. 1.6 Identify the main features of different cultures and civilisations, including sex and gender inequalities, in order to understand current problems in the world and what causes and consequences they have had or may have on international business management.

The student will be able to recognise the most advanced knowledge and core competences in the organisation and management of the activities of a foreign trade department.

RA2. Mat.1.7 Identify the main concepts, institutions and rules related to intergovernmental cooperation and regional economic integration.

Related SDGs

SDG 1: No poverty

SDG 5: Gender equality

SDG 6: Clean water and sanitation

SDG 8: Decent work and economic growth

SDG 9: Industry, innovation and infrastructure

MSc in International Business (2024/25)

SDG 10: Reduce inequalities

SDG 13: Climate action

SDG 16: Peace, Justice and strong institutions

2. COURSE LEARNING PLAN

Methodology

Course participants are expected to participate actively and constructively in class. In order to be able to do so, it is compulsory that they read and browse regularly, and in advance, the recommended readings and information sources.

The professor will provide teaching notes, lecture slides, business cases and other documents.

Because of the nature of the course, the contents may be adapted by the instructor to cover large-scale, unexpected, global economic or political developments that arise during the course period.

NB. The competences, the learning outcomes, the assessment elements and the quality of the learning process included in this Teaching Plan will not be affected if during the academic trimester the teaching model has to switch either to a hybrid model (combination of face-to-face and on-line sessions) or to a complete on-line model.

Evaluation criteria

<i>Assessment element</i>	<i>Weight</i>
Individual participation	10 %
Cases and written assignments	20%
Group presentation on “Doing Business in”	10 %
Master Thesis Assignment	10 %
Final exam	50 %

MSc in International Business (2024/25)

Students shall work in cases and written assignments on their own or by groups. However, it is necessary that three (3) of these assignments are done individually.

Retake conditions

Students that fail the evaluation of the course will have a retake exam opportunity that will be programmed in accordance with the academic calendar. If a student has to retake the exam, his **maximal grade for the course will be a 5,0 (out of 10,0)**.

General Issues

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Students who fail the course during the regular evaluation are allowed ONE re-take of the evaluation, in the conditions specified above. If the course is again failed after the retake, the student will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at ESCI UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated, by correct referencing. Failing to do so may result in automatic expulsion from the program.”

MSc in International Business (2024/25)

Content and learning activities

Part A Concepts and mind frames	
Week 1	0. Course presentation and overview 1. Introduction: firms in international trade after Covid-19 1.1. International trade 1.2. Foreign Direct Investment 1.3. International business 1.4. The multinational enterprise
Week 2	2. Political risk and country risk 2.1. Three categories of risk 2.2. International business risk 2.3. Country risk and PEST analysis 2.4. Exchange rate risk
Week 3	3. Globalization views, before and after Covid-19. Doing business and managing risk in a globalized World
Part B Facts, prospects, and analysis	
Week 4	4. Global economic analysis
Week 5	5. Global social and political analysis
Week 6	6. Global challenges post Covid-19
Week 7	Wrap-up and Master Thesis Project Workshop
Part C Doing Business in...	
Week 8	7.1. Brazil and Russia 7.2. India and China
Week 9	7.3. Africa and Eastern Europe 7.4. Latin America and the Gulf Economies
Week10	Master Thesis Project presentation

Student workload (including self-study) 75 hours

3. PROFESSOR

Anna Solé is associated Professor of Economics at ESCI-UPF, at Universitat Pompeu Fabra and Universitat Autònoma de Barcelona. She took her degree in Economics in the University of Barcelona and her PhD in University Pompeu Fabra. Her research

MSc in International Business (2024/25)

deals with the symmetry of the European Monetary System (EMS), the negotiations leading to its creation, and the incentives of high inflation countries to join the system. Her main areas of interest are monetary integration, exchange rate agreements, and the institutionalization of monetary policy.

4. BIBLIOGRAPHY/RESOURCES/ READING MATERIALS

Main references

- Baldwin, R. (2016). The Great Convergence. Information Technology and the New Globalization. Introduction, chapter 2 and chapter 6.
- Barlett, Christopher A. and Paul W. Beamish (2014). Transnational Management. 7th edition.
- King, S. D. (2017). Grave New World. The End of Globalization, the return of history. Chapter 11.
- Economics in the Time of Covid-19 (2020). A Voxeu.org Book. CEPR Press. Editors: Richard Baldwin and Beatrice Weder di Mauro.

Supplementary references

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- Milanovic, B. (2016). Global Inequality. A New Approach for the Age of Globalization. The Belknap Press of Harvard University Press.
- Mian, A. and A. Sufi (2014). House of Debt. How They (and You) Caused the Great Recession, and How We Can Prevent It From Happening Again. The University of Chicago Press.
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MSc in International Business (2024/25)

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- Rajan, R. (2010). Fault Lines. How Hidden Fractures Still Threaten the World Economy. Princeton University Press.
- Reinert, K. A. and R. S. Rajan, eds. (2009). The Princeton Encyclopedia of the World Economy, vols. I and II. Princeton University Press.
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