

Rutgers University
Political Science Department New Brunswick
United Nations & Global Policy Studies
Masters Program

Spring 2018

Course: 790:576:01
Special Topics: Political Risk Analysis & Business Intelligence
Saturday 10:00 am – 12:40 pm
HCK 612/MMC N462
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Email: ghaidaa.hetou@rutgers.edu
Office: By Appointment

Political Risk Analysis & Business Intelligence

International corporations face political risk that could affect the profitability of a business venture, or limit the expected value of an economic action. How can corporations benefit from Macro-level and Micro-level political risk assessments? How can country level analysis and industry/project level analysis inform the decision-making of investors and business owners? This course discusses the various sub-categories that make up political risk as an operational concept and a crucial component of an international business' strategy in new markets. The first five weeks will focus on literature review and discussions on the utility, purpose and limitations of political risk analysis. Most of the semester will be focused on analysis projects of a US business expanding in the Russian, Chinese, Latin American (Brazil), and Middle Eastern (Turkey) markets.

In this course, Political Risk Analysis is explored at the macro/country level and micro/industry specific level. Differentiated from Business Analytics, Business Intelligence in this course will focus on insights on target markets and external data of the business' operational environment.

Course Objectives

- Understanding how political decisions, political instability, social policies, and geopolitics affect the international business environment.
- Analyzing and evaluating domestic and regional politics as an operational risk for international corporations.
- Investigating the various subcategories of Macro-level and Micro-level political risk while also evaluating and communicating conclusions and inferences from quantitative information.
- Conducting research and communicating findings effectively on complex political environments to prospective stakeholders (business community).

Expectations

- Be fully prepared to discuss assigned readings, assignments and/or project for each class.
- Attend all class sessions.
- Submit assignments and group projects on time.
- Engage in civil and informed in-and-out-of-class discussions.

Assessments

20% Participation, group discussion, and reading presentations.

20% Four 1 page data sets due on 2/17, 2/24, 3/3, 3/31

60% Four Political Risk Assessments (in groups):

15% Russia 3/24

15% China 4/7

15% Brazil 4/14

15% Turkey 4/28

The instructor reserves the right to reward exceptional effort in class with extra credit.

Academic Integrity

The consequences of scholastic dishonesty are very serious. Please review the [Rutgers' academic integrity policy](#) .

Academic integrity means, among other things:

- Develop and write all of your own assignments.
- Show in detail where the materials you use in your papers come from. Create citations whether you are paraphrasing authors or quoting them directly. Be sure always to show source and page number within the assignment and include a bibliography in the back.
- Do not fabricate information or citations in your work.
- Do not facilitate academic dishonesty for another student by allowing your own work to be submitted by others.

If you are in doubt about any issue related to plagiarism or scholastic dishonesty, please discuss it with your instructor.

Other sources of information to which you can refer include:

- [Rutgers' Academic Integrity website](#) 
- [Code of Student Conduct](#) 
- [Eight Cardinal Rules of Academic Integrity](#) 

Cheating and Plagiarism

Short version: Don't cheat. Don't plagiarize.

Longer version: Cheating on tests or plagiarizing materials in your papers deprives you of the educational benefits of preparing these materials appropriately. It is personally dishonest to cheat on a test or to hand in a paper based on unacknowledged words or ideas that someone else originated. It is also unfair, since it gives you an undeserved

advantage over your fellow students who are graded on the basis of their own work. In this class we will take cheating very seriously. All suspected cases of cheating and plagiarism will be automatically referred to the Office of Judicial Affairs, and we will recommend penalties appropriate to the gravity of the infraction. The university's policy on Academic Integrity is available

at http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf^[1]

I strongly advise you to familiarize yourself with this document, both for this class and for your other classes and future work. To help protect you, and future students, from plagiarism, we require all papers to be submitted through Turnitin.com.

Since what counts as plagiarism is not always clear, I quote the definition given in Rutgers' policy:

Plagiarism: Plagiarism is the use of another person's words, ideas, or results without giving that person appropriate credit. To avoid plagiarism, every direct quotation must be identified by quotation marks or appropriate indentation and both direct quotation and paraphrasing must be cited properly according to the accepted format for the particular discipline or as required by the instructor in a course. Some common examples of plagiarism are:

- **Copying word for word (i.e. quoting directly) from an oral, printed, or electronic source without proper attribution.**
- **Paraphrasing without proper attribution, i.e., presenting in one's own words another person's written words or ideas as if they were one's own.**
- **Submitting a purchased or downloaded term paper or other materials to satisfy a course requirement.**
- **Incorporating into one's work graphs, drawings, photographs, diagrams, tables, spreadsheets, computer programs, or other nontextual material from other sources without proper attribution.**^[2]
- A SPECIAL NOTE: Students often assume that because information is available on the Web it is public information, does not need to be formally referenced, and can be used without attribution. This is a mistake. *All* information and ideas that you derive from other sources, whether written, spoken, or electronic, must be

attributed to their original source. Such sources include not just written or electronic materials, but people with whom you may discuss your ideas, such as your roommate, friends, or family members. They deserve credit for their contributions too!

Judgments about plagiarism can be subtle. If you have any questions, please feel free to ask for guidance.

[1] This web link was corrected on July 13, 2012. S. Lawrence

[2] http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf Updated with the University's current language on July 13, 2012. S. Lawrence

Academic Support Services

- Rutgers has a variety of resources for academic support. For more information, check the [Academic Support website](#).
- Rutgers has Learning Centers on each campus where any student can obtain tutoring and other help. For information, check the [Learning Center website](#).
- Rutgers also has a Writing Center where students can obtain help with writing skills and assignments. Learn more at the [Writing Center website](#).
- Many library resources are available online. Assistance is available through phone, email, and chat. For information, check the [Rutgers Libraries website](#).

Rutgers Health Services

- Rutgers Health Services is dedicated to health for the whole student body, mind and spirit. It accomplishes this through a staff of qualified clinicians and support staff, and delivers services at a number of locations throughout the New

Brunswick-Piscataway area. For more information, check the [Rutgers Health Services website](#).

Accommodations for Accessibility

Requesting accommodations

If you would like to request academic accommodations based on the impact of a disability qualified under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, contact your instructor privately as soon as possible to discuss your specific needs. Discussions are confidential.

In addition to contacting the instructor, please contact the [Office for Disability Services](#) to register for services and/or to coordinate any accommodations you might need in your courses at Rutgers.

Go to the [Student section of the Office of Disability Services](#) website for more information.

Valuable Resources

During the course make it a habit to read the international section of the following resources

<http://www.bloomberg.com>

<http://www.wsj.com>

<https://www.cnbc.com>

<http://www.ibtimes.com>

<http://www.ft.com/home/us>

<http://fortune.com>

<http://money.cnn.com>

<http://www.economist.com>

Required Books and Articles

- Ian Bremmer and Preston Keat, 2010. *The Fat Tail: The Power of Political Knowledge in an Uncertain World*. Oxford University Press.
- Robert McKellar, 2010. *A Short Guide to Political Risk*. Routledge
- Karthik Jayaraman, 'Doing Business in China: A risk Analysis'. *Journal of Emerging Knowledge on Emerging Markets*. Volume 1 Issue 1 November 2009.
- Alice Su, China's Business and Politics in South Sudan. *Foreign Affairs*, June 6 2016.
- Michael Moran, The Geopolitics of Corruption. *Foreign Affairs*, April 14, 2016.
- Wilford Mawanza, 'An Assessment of the Political Risk Management Strategies by Multinational Corporations (MNCs) Operating in Zimbabwe'. *International Journal of Business and Social Science*. Vol.6, No.3; March 2015.
- Campbell Harvey, 'The Management of Political Risk'. *Harvard Law School Forum on Corporate Governance and Financial Regulations*. July 20, 2016.
- Mark FitzPatrick. 'The Definition and Assessment of Political Risk in International Business: A Review of the Literature'. *Academy of Management Review*, Vol.8, No.2, 249-254, 1983.

Political Risk Assessments

Two political risk projects will be at the macro-level: Russia and China, and two will be at the micro or sector specific level: Brazil and Turkey. Each assessment is 10 pages, single-spaced, with end notes (not part of overall page count), and is due at the beginning of class with an accompanying power point presentation. The group presents the assessment and provides the executive board (colleagues) with main findings (45 min), the group will then host a Q&A session for (30 min.)

One Page List

The one-page list consists of external data sets (3 to 4) on the new market that are deemed necessary for business operations, accompanied with a brief description for each. The rationale for the selected data sets will be discussed in class. Each one of the four lists

is due at the beginning of class in hard copy. Information on type of business and market will be provided a week in advance.

Course Schedule

January 20

Introduction and syllabus review

What is Political Risk?

January 27

Readings

Bremmer: Chapters 1 (Introduction), 2, and 3

February 3

Readings

Bremmer: Chapters 4, 5 and 6

February 10

Readings

Bremmer: Chapters 7, 8 and 9

February 17

Readings

McKellar: Chapter 1, 2 and 3

February 24

Readings

McKellar: Chapter 4, 5 and 6

March 3

Discussions on macro-level political risk assessment

Articles

-Karthik Jayaraman, 'Doing Business in China: A risk Analysis'. *Journal of Emerging Knowledge on Emerging Markets*. Volume 1 Issue 1 November 2009.

-Stuart Eizenstat, The hard truth of doing business in Russia: it isn't all about the sanctions. *Financial Times* August 26, 2016. <https://www.ft.com/content/04685ab9-f2a0-31ef-a594-85410083ff4d?mhq5j=e6>

Doing Business in Russia The World Bank

<http://www.doingbusiness.org/data/exploreeconomies/russia>

Doing Business in Russia The World Bank

<http://www.worldbank.org/en/country/russia/brief/doing-business-russia>

March 24

Political Risk Assessment: Russia due.

Presentations and Q&A

March 31

Political Risk Assessment: China due

Presentations and Q&A

April 7

Discussions on micro-level political risk assessments

Articles

-Alice Su, China's Business and Politics in South Sudan. *Foreign Affairs*, June 6 2016.

-Michael Moran, The Geopolitics of Corruption. *Foreign Affairs*, April 14, 2016.

April 14

Discussing the purpose, utility and limitations of political risk assessments

Articles

-Wilford Mawanza, 'An Assessment of the Political Risk Management Strategies by Multinational Corporations (MNCs) Operating in Zimbabwe'. *International Journal of Business and Social Science*. Vol.6, No.3; March 2015.

-Campbell Harvey, 'The Management of Political Risk'. *Harvard Law School Forum on Corporate Governance and Financial Regulations*. July 20, 2016.

-Mark FitzPatrick. 'The Definition and Assessment of Political Risk in International Business: A Review of the Literature'. *Academy of Management Review*, Vol.8, No.2, 249-254, 1983.

April 21

Political Risk Assessment: Brazil due.

Presentations and Q&A

April 28

Political Risk Assessment: Turkey due.

Presentations and Q&A