

## **SYLLABUS: COURSE #16:790:574:90 INTERNATIONAL BUSINESS ETHICS, REGULATIONS AND THE STATE FALL TERM 2017**

### **COURSE OVERVIEW**

#### **Instructor**

Instructor: Steven Adelkoff, JD, CAIA, MBA

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Phone number: 1-412-370-9696

Office hours: Phone consultations upon request

#### **Course Delivery**

This course is fully online. To access the course, please visit [sakai.rutgers.edu](http://sakai.rutgers.edu). For more information about course access or support, contact the Sakai Help Desk via email at [sakai@rutgers.edu](mailto:sakai@rutgers.edu) or call 848-445-8721.

#### **Course Description**

Students will explore ethics, regulations, legal and political systems and related policy on a global basis. After laying a foundation reviewing behavior economics, global ideological systems, global capital markets and international trade theory, students will delve into the international regulatory and ethical issues of our time. This will include: anti-money laundering and secrecy laws; corruption; tax havens and tax avoidance; whistle blowing; socially responsible and impact investing; energy and climate change; and the policy and economics of water.

#### **Important Dates**

The course begins on 09/05/2017 and ends on 12/13/2017, and the last day to drop the course without a "W" grade is 09/12/2017.

## Course Learning Objectives

By the end of this course:

- Students should be able to explain the basic political, economic, ideological and legal systems of the world, including the use of analytical tools to understand cultural differences.
- Students should be able to identify examples of the interconnectedness of the world's economy, and the impact of Black Swans and actions taken by one country on the economies of others, including the role of Central Banks.
- Students should be conversant about global policies relating to illegal activity in financial, tax and similar areas, including anti-money laundering, anti-secrecy, whistle blowing and similar laws
- Students should be able to explain international trade theories, (including an ability to articulate a clear perspective on free trade v. protectionism) as well as international strategy for businesses
- Students should be able to explain and provide examples of the role of energy, water, fossil fuels and other commodities on global policy and economics, including an understanding of the threat of climate change and the responses from socially responsible institutions and entities.

## Course Materials

All materials that a student needs to successfully complete this course will be loaded on our website in Sakai.

## Technology Requirements

### Baseline technical skills necessary for online courses

- Basic computer and web-browsing skills
- Navigating Sakai

### Technology skills necessary for this specific course

- Live web conferencing using Adobe Connect or Big Blue Button
- Collaborating on VoiceThread
- Recording a slide presentation with audio narration
- Recording, editing, and uploading video

## Required Equipment

- Computer: current Mac (OS X) or PC (Windows 7 or newer) with high-speed internet connection
- Webcam: built-in or external webcam, fully installed
- Microphone: built-in laptop or tablet mic or external microphone

## Required Software

- Microsoft Word
- Microsoft Excel
- Microsoft PowerPoint

# Assessment

## Assignment Summary

Below are the assignments required for this course and the value of each assignment to the course grade as a whole. Please refer to the course calendar (on Sakai) and/or the course schedule (below) for specific due dates.

Assignment	Points
Weekly Discussion Forum	15%
First Policy Assignment (5 page paper)	20%
Second Policy Assignment (3 minute video presentation)	25%
Third Policy Assignment (7 page paper; 5 minute video)	40%
<b>Total</b>	<b>100</b>

*See course schedule, below, for due dates.*

## Assignment Overview

### Discussion Forum

15% of Grade will be discussion forms.

Questions are posted on our website and in this Syllabus

You will need to post your initial comment by Wednesday of the week the module begins.

You will also need to provide a comment in response to the initial post of two of your classmates (who will be assigned to you). The two responses will be due on Sunday of that week.

## Policy Papers and Presentations

Policy Papers and Presentations.

- You will be asked to choose a country from a list to be provided. First come first serve; Professor has final word on all ties. Check the “Assigned Country List” page in the left menu of Sakai to see your assigned country.

### List of Countries

Uruguay  
Slovakia  
Colombia  
Morocco  
Norway  
Bahamas  
Vietnam  
New Zealand  
Sri Lanka  
Chile  
Poland  
The Netherlands  
South Africa  
Taiwan  
Costa Rica

- As the Chief of Staff to a UN Ambassador of your chosen country, you will be asked to advise the Ambassador on three (3) separate topics.
- The topics are designed to allow you to demonstrate your command of the materials and information presented in this class. It's your time to show off.
- The first deliverable will be a paper of no more than 5 pages. This will be worth 20% of your grade
- The second deliverable will be an on-line presentation of no more than 3 minutes, which will be worth 25%
- The third deliverable will be a 5 minute presentation and paper (limited to 7 pages), which will be worth 40% of your grade.

## Grading Scale

Grade	Range
A	90 – 100
B+	85 – 89
B	80 – 84
C+	75 – 79
C	70 – 74
D	60 – 69
F	Below 60

## Student Participation Expectations

Because this is an online course, your attendance is based on your online activity and participation. The following is a summary of everyone's expected participation:

- Logging in: AT LEAST TWO TIMES PER WEEK.** Be sure you are logging in to the course in Sakai each week, including weeks with holidays or weeks with minimal online course activity. (During most weeks you will probably log in many times.) If you have a situation that might cause you to miss an entire week of class, discuss it with me *as soon as possible*.
- Time Commitment**  
 To be successful in this course, you should plan to dedicate approximately 8-10 hours per week.
- Office hours and live sessions:**  
 All live, scheduled events for the course, including my office hours, are optional. For live presentations, I will provide a recording that you can watch later. If you are required to discuss an assignment with me, please contact me at the beginning of the week if you need a time outside my scheduled office hours.
- Participating in discussion forums:**  
 As participation, each week you can expect to post at least three times as part of our substantive class discussion on the week's topics.

## Discussion and Communication Guidelines

The following are my expectations for how we should communicate as a class. Above all, please remember to be respectful and thoughtful.

- **Writing style:** While there is no need to participate in class discussions as if you were writing a research paper, you should remember to write using good grammar, spelling, and punctuation. Informality (including an occasional emoticon) is fine for non-academic topics. Please also refrain from using all CAPITAL LETTERS, as this is often interpreted as shouting.
- **Tone and civility:** Let's maintain a supportive learning community where everyone feels safe and where people can disagree amicably. Remember that sarcasm doesn't always come across online. Treat your instructor and fellow students with respect at all times, and in all communications.
- **Citing your sources:** When we have academic discussions, please cite your sources to back up what you say. (For the course materials, list at least the title and page numbers. For online sources, include a link.)
- **Backing up your work:** Consider composing your academic posts in a word processor, where you can save your work, and then copying into the Sakai discussion.

## Support and Policies

### Late Work and Make-up Exams

Please contact the Professor if you will be late with deliverables. Alternative arrangements will be made at my discretion.

### Faculty Feedback and Response Time

I am providing the following list to give you an idea of my intended availability throughout the course. (Remember that you can email [sakai@rutgers.edu](mailto:sakai@rutgers.edu) or call 848-445-8721 if you have a technical problem.)

#### Grading and Feedback

For large weekly assignments, you can generally expect feedback within **7 days**.

#### E-mail

I will reply to e-mails within **36 hours on school days**. I travel out of the country frequently, and that can limit my ability to respond.

## 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](#)

## 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](#).

## Counseling, ADAP, and Psychiatric Services

- Undergraduate and graduate students experience a great many stresses in their lives - sorting out one's identity, establishing and maintaining important relationships, coping with anxiety and depression, working on changing relationships with parents and other family members, dealing with losses, handling new academic demands, and dealing with reactions to one's differentness. To help with these tasks, [Counseling, ADAP & Psychiatric Services \(CAPS\)](#)  provides a variety of psychological counseling services for all students of Rutgers University in New Brunswick/Piscataway, undergraduate and graduate. Services are free, and confidentiality is guaranteed within legal and ethical guidelines.

## Accommodations for Accessibility

### Requesting accommodations

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation. More information can be found in the [Documentation Guidelines](#)  section of the [Office for Disability Services](#)  website.

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the [Registration Form](#)  on the [Office for Disability Services](#)  website.

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

## Accessibility and Privacy Links

### Accessibility Statements

[Sakai](#) 

### Privacy Policies

[Sakai](#) 

## Course Schedule and Deadlines

Module 1: September 5 to September 10

## Introduction to Class – Behavioral Economic Concepts; The Wealth Empathy Gap; Dishonesty

Readings: *Nudge*; Chapter 1, Professor Richard Thaler and Cass Sunstein.

Professor Dan Ariely, (Dis)honesty

<https://www.youtube.com/watch?v=RVix6vognrY>

The Wealth Empathy Gap/ Lying: Article from New York Magazine and article from Bloomberg.

Bias, Blindness and How We Truly Think (Part 1): Professor Daniel Kahneman, Bloomberg

The Overconfidence Problem in Forecasting, Economic Views, NY Times August 12, 2010, by Professor Robert Thaler

Discussion Questions:

1. Thinking about behavioral concepts like the tendency towards overconfidence, how can we distinguish between skill and luck?
2. Do you believe there is a negative correlation between wealth and empathy. Stated differently, are we less empathetic as we gain greater wealth?

## Module 2: September 11 to September 17

### National Differences in Political, Economic, Ideological and Legal Systems

Readings:

Chapter 2 from Text (National Differences in Political, Economic and Legal Systems)

Chapter 3 from Text (The Meaning and Dimensions of Culture)

Review and explore [www.geert-hofstede.com](http://www.geert-hofstede.com)

Be sure to check out the “Tools” > “Compare Countries” tool.

Discussion Question: A. Using the Hofstede platform and website, compare the Hofstede cultural dimensions of the country you have chosen from our list with the US. What results surprised you, and what results were as you expected?

B. Using Hofstede, how would you advise President Trump on policy for the Korean Peninsula? What would you recommend, given the turmoil?

### Module 3: September 18 to September 24

#### Policy and Economics of International Capital Markets and Monetary Policy

- Readings:
- Central Banks Told to Embrace Negative Interest Rates as Recession Looms. Bloomberg News, 8 14 2017  
<https://www.bloomberg.com/news/articles/2017-08-14/central-banks-told-to-embrace-negative-rates-as-recession-looms>
- India's Central Bank Passes the Buck Back  
<https://www.bloomberg.com/view/articles/2017-08-03/india-s-central-bank-passes-the-buck-back-to-the-government>
- Greenspan's Legacy Explains Current Conundrum: Bloomberg, Daniella DiMartino Booth, August 6, 2017
- "The Risks of Central Banks' Radical Treatment" May 25, 2016, Financial Times <https://www.ft.com/content/56c26346-fb50-11e5-8f41-df5bda8beb40>
- Stanley Druckenmiller: "Here's How the Fed Bubble Will End"; CNBC Video <https://www.cnbc.com/2015/11/03/stanley-druckenmiller-heres-how-fed-bubble-will-end.html>

Discussion Question: Do you believe that Central Bankers all over the world have created an asset valuation bubble by keeping interest rates low (and sometimes negative)? Will it end badly or do you believe in a soft landing (or will there be no need for a landing at all)?

### Module 4: September 25 to October 1

#### International Treaties and Trade

- Readings/Videos: The Silk Road YouTube  
<https://www.youtube.com/watch?v=vn3e37VWc0k>
- International Trade Theory: Chapter 6 from International Business: Competing in a Global Market Place, 11<sup>th</sup> Edition by Hill, Hult 2017

Government Policy and International Trade: Chapter 7 from International Business: Competing in a Global Market Place, 11<sup>th</sup> Edition by Hill, Hult 2017

Milton Friedman on International Trade. YouTube (<https://www.youtube.com/watch?v=hTj4TCjs8cA>)

Trump v. Friedman: Trade Policy Debate. YouTube (<https://www.youtube.com/watch?v=7DhagKyyDck>)

What Malaysia Has to Change to Keep Up With Its Neighbors <https://www.bloomberg.com/politics/articles/2017-08-02/it-s-chocolate-factory-or-cocoa-farm-in-malaysian-growth-toss-up>

Discussion Question:

A. Why is it easier for politicians to embrace protectionism than economists? Is there a time and a place for protectionism?

B. Who is right: Friedman (for free trade) or Trump (for protectionism)? HINT: No one is all wrong.

**Assignment 1:**                      **The Ambassador to your country would like a report comparing the political, cultural and legal systems of your country with the United States. You should prepare a memorandum to the Ambassador, of no more than 5 pages (double spaced). Please use Hofstede analysis in your explanation of the cultural norms of your subject country. 20% of Grade**

**Module 5:    October 2 to October 8**

### **International Business Strategy**

Readings Videos:    The Strategy of International Business: Chapter 13 from International Business: Competing in a Global Market Place, 11<sup>th</sup> Edition by Hill, Hult 2017

Michael Porter's Model of Competitiveness of Nations Youtube Video (<https://www.youtube.com/watch?v=thWsqxZWsls>)

Discussion Questions: A.    Great wine comes from France; great electronics come from Japan. Give two other examples of countries that have created a comparative advantage in an industry based on Porter's Model of Competitiveness of Nations.

- B. Describe the strategies of the Yacht v. Dingy. Which do you prefer when attacking an international market.

## Module 6 October 9 to October 15

### Anti-Money Laundering and Secrecy Laws and the Global Flow of Money

Readings/Videos: Anti-Money Laundering Source Rules for Broker-Dealers  
(<https://www.sec.gov/about/offices/ocie/amlsourceetool.htm>)

Read Fairwinds International Bank AML Policy (upload pdf)

Anti-Money Laundering Policy Guidelines; Lexus/Nexus, August 2014

The Panama Papers – Secrets of the Super Rich  
<https://www.youtube.com/watch?v=BBmLMVHzrX4>

A Baccarat Binge Helped Launder the World's Biggest Cyberheist  
<https://www.bloomberg.com/news/features/2017-08-03/a-baccarat-binge-helped-launders-the-world-s-biggest-cyberheist>

Discussion Question: A. Why is it wrong to keep a bank account secret? Are there purposes for the privacy that are legitimate?

B. Is using a so-called “shell company” always immoral or improper?

## Module 7: October 16 to October 22

### International Taxation Policy, Havens, and Enforcement

Readings/Videos: Corporate Tax Avoidance: How it happens, How it is changing and How to avoid it.  
[https://www.youtube.com/watch?v=Ci\\_bfP4DTMY](https://www.youtube.com/watch?v=Ci_bfP4DTMY)

Double Irish Dutch Sandwich Structure  
[https://www.youtube.com/watch?v=nHC\\_BEqN0qY](https://www.youtube.com/watch?v=nHC_BEqN0qY)

60 Minutes: The new tax havens  
<https://www.youtube.com/watch?v=MxgezC4KhXQ>

Introduction and Overview of Double Taxation Treaties  
<https://www.youtube.com/watch?v=QJzHPjapq8Y>

*Tax Treaty Policy Framework and Country Model* by Arianne Pickering

[http://www.un.org/esa/ffd/tax/2013TMTTAN/Paper2N\\_Pickering.pdf](http://www.un.org/esa/ffd/tax/2013TMTTAN/Paper2N_Pickering.pdf)

Discussion Questions: A. As a shareholder of a corporation in the US, would you be happy or mad if the corporation used tax strategies – including tax havens – to reduce its tax burden? Stated differently, does a corporation have an obligation to minimize its tax burden?

B. What is good international tax policy when taxation is a zero-sum game?

## **Module 8: October 23 to October 29**

### **Corruption and Cultural Differences towards Corruption**

Readings/Videos: FCPA: A Resource Guide to the US Foreign Corrupt Practices Acts (pdf)

Explore Transparency International website

<https://www.transparency.org/>

25 Most Corrupt Countries in the World

<https://www.youtube.com/watch?v=s0hd-InUTnI>

25 Least Corrupt Countries in the World

<https://www.youtube.com/watch?v=SXfDIgIwQXI>

Discussion Questions: 1. Can you tease out from the list of most corrupt and least corrupt countries common characteristics that would allow you predict what country might be more corrupt than others?

## **Module 9: October 30 to November 5**

### **The Paradox of Whistle Blowing**

Objectives: Students should be conversant in the policies for whistle blower laws, the structure of whistle blowing statutes and the pros and cons of “Blowing the Whistle”

Readings: Bloomberg: The Whistle Blower Behind Caterpillar’s Massive Tax Headache Could Make \$600 Million”  
<https://www.bloomberg.com/news/features/2017-06-01/the->

[whistleblower-behind-caterpillar-s-massive-tax-headache-could-make-600-million](#)

K&L Gates: Legal Insights: Dodd-Frank Whistleblower Alert: How Can Employees Be Encouraged to Report Potential Misconduct to Their Employers?

Blowing the whistle can lead to harsh aftermath, despite law By Jayne O'Donnell, USA TODAY July 31, 2005. Related Articles

G20 Anti-Corruption Action Plan: Protection of Whistleblowers, 2011

Explore the website [www.kkc.com](http://www.kkc.com), which is a law firm of Kohn, Kohn and Colapinto, LLP, specializing in whistle blowing claims

#### Discussion Questions:

1. Is Blowing the Whistle courageous or a dumb risk?
2. In Caterpillar, the company got the advice of sophisticated tax advisers who approved the transactions. If an employer has advice of counsel or other professional advice that its activities are legal, can the employer retaliate when the employee “blows a whistle”?

**Assignment 2: Your Ambassador needs to quickly get up to speed on your country’s strengths and weaknesses related to government corruption, crime leading to money laundering (including aiding and abetting illegal money laundering) and tax evasion. Please prepare a video presentation of no more than 3 minutes providing the “state of affairs” of your country and any suggestions you might have to improve these matters for the greater good. 25% of grade**

**Module 10: November 6 to November 12**

#### **Social Responsibility and Impact Investing**

##### Readings:

Power Point on Shariah Screens for Stocks

HOW OPIC’S SUPPORT IS HELPING SMALL BUSINESSES FLOURISH IN THE MOST CHALLENGING PLACES.

<https://www.opic.gov/blog/investment-funds/how-opics-support-helping-small-businesses-flourish-most-challenging-places>

Program Related Investments: IRS Website <https://www.irs.gov/charities-non-profits/private-foundations/program-related-investments>

The Rockefeller Foundation on Program Related Investments (watch the YouTube clip too) <https://www.rockefellerfoundation.org/our-work/initiatives/program-related-investments/>

Discussion Questions:

1. Can an investment be both financially worthwhile and worthwhile in the charitable sense?
2. If you were going to pitch OPIC on funding an impact investment, what would it be?

## **Module 11: November 13 to November 19**

### **Energy, Climate Change and Policy**

Readings:

Peak Demand for Fossil Fuels, Carbonbrief.com  
<https://www.carbonbrief.org/two-charts-show-how-fossil-fuels-could-peak-2020>

Battery Storage Poised to Expand Rapidly; Scientific American;  
<https://www.scientificamerican.com/article/battery-storage-poised-to-expand-rapidly/>

German Wind Power Chaos Should Be Warning to UK; The Telegraph;  
<http://www.telegraph.co.uk/comment/9559656/Germanys-wind-power-chaos-should-be-a-warning-to-the-UK.html>

Germany Runs Up Against the Limits of Renewables; MIT Technology Review;  
<https://www.technologyreview.com/s/601514/germany-runs-up-against-the-limits-of-renewables/>

Europe's storms send power prices plummeting to negative, Reuters.com  
<http://www.reuters.com/article/us-europe-power-prices-idUSBREA080S120140109>

OPIC Key Elements of a Business Plan; Overseas Private Investment Corp.

Discussion Questions:

1. Can the world ever truly run on 100% renewable energy?

2. Can the economies of developing countries – or even Russia – survive a world that does not use oil?

## **THANKSGIVING BREAK: November 20 to November 26**

### **Module 12: November 27 to December 3**

#### **The Business, Policy and Politics of Water**

##### Readings

The Global Water Crisis; US Trust Capital Acumen; Issue 30, 2015;  
[http://ustrust.com/publish/ust/capitalacumen/winter2015/features/the-global-water-crisis.html?cm\\_mmc=GWIM-UStTrust--Google-PS--investments%20in%20water--Capital%20Acumen%20Phrase%20-%20Global%20Water%20Crisis%20Phrase&gclid=EAiaIQobChMIzM-EyMG21QIVx6QYCh2OBgoKEAAYAAEgISWPD\\_BwE&gclsrc=aw.ds](http://ustrust.com/publish/ust/capitalacumen/winter2015/features/the-global-water-crisis.html?cm_mmc=GWIM-UStTrust--Google-PS--investments%20in%20water--Capital%20Acumen%20Phrase%20-%20Global%20Water%20Crisis%20Phrase&gclid=EAiaIQobChMIzM-EyMG21QIVx6QYCh2OBgoKEAAYAAEgISWPD_BwE&gclsrc=aw.ds)

Waterfund Website: Explore the following website, which describes and investable index for the true cost of water <http://worldwaterfund.com/water-cost-index-overview.html>

Rickards Real Cost Water Index Calculated by IBM; CommodityTrade.com  
<http://www.commoditytrademantra.com/water/rickards-real-cost-water-index-calculated-ibm/>

What is the Benefit of Privatizing Water? Blog, Columbia University;  
<http://blogs.ei.columbia.edu/2010/09/02/what-is-the-benefit-of-privatizing-water/>

##### Discussion Questions:

1. Is government or private industry the best party to protect, control, allocate and charge for water?
2. Is it ethical to invest in water rights, with the implicit right to withhold water for failure to pay?

### **Module 13: December 4 to December 13**

#### **Black Swans and Crisis Contagion in The World Economy**

##### Readings:

The Black Swan: The Impact of the Highly Improbable. Excerpts from Chapter 1; by Nassim Taleb (reprinted by the New York Times)  
<http://www.nytimes.com/2007/04/22/books/chapters/0422-1st-tale.html>

Nassim Taleb: "The Black Swan", YouTube  
<https://www.youtube.com/watch?v=33kET2YPWIs>

One of These Black Swans Will Likely Trigger a Global Recession by End of 2018; Business Insider, by Josh Mauldin, July 30, 2015  
<http://www.businessinsider.com/3-black-swans-could-trigger-global-recession-2017-7/?IR=T>

**Assignment 3: Your Ambassador happens to be very wealthy, and has a foundation that wants to consider making a \$10,000,000 program related investment. Your Ambassador would like you to do two things:**

- A. Explain how a program related investment works.**
- B. Suggest a program related investments that would be beneficial for your country. The investment can be in renewable energy, clean water, improved sanitation, environmental, micro finance or educational. The suggestion should needs to (i) describe how it would be structured, (ii) fit within your country's cultural norms, and (iii) be well-suited for your country's particular needs, given the country's comparative advantages.**

**Present a paper of no more than 7 pages (double spaced) and a video presentation of no more than 5 minutes. 40% of your grade**