

**DEREE COLLEGE SYLLABUS FOR: IB 4232 FOREIGN DIRECT INVESTMENT AND MULTINATIONAL ENTERPRISES**

(Updated Fall 2021)

**UK LEVEL: 6**  
**UK CREDITS: 15**  
**US CREDITS: 3/0/3**

**PREREQUISITES:**

IB 2006 International Business or MG 2003 Management Principles or equivalent  
 IB 3121 Global Business Management or MG 3033 New Ventures Creation or equivalent

**CATALOG DESCRIPTION:**

Theories, definitions, issues, magnitude, and the geography of Foreign Direct Investment (FDI) in developed, developing and emerging markets. Organization and structure of the contemporary MNE, strategic cross-border mergers and acquisitions, and implications of MNEs for national competitiveness.

**RATIONALE:**

This course equips students with knowledge and understanding of the traditional models of foreign expansion, the quest of MNEs to simultaneously achieve higher levels of global integration and local responsiveness and the new paradigms of MNE international strategy. Students will also acquire a solid understanding of the FDI determinants as a growth priority for national competitiveness in emerging and developing economies, as well as, the ethical concerns that arise in such context.

**LEARNING OUTCOMES:**

- On successful completion of the module, the student should be able to :
1. Assess MNE strategies, policies and operations in real world contexts.
  2. Formulate appropriate recommendations to resolve 'real life' business problems.
  3. Assess the major international production theories and discuss the development, evolution and impact of FDI.

**METHOD OF TEACHING AND LEARNING:**

- In congruence with the learning and teaching strategy of the college, the following tools are used:
- Classes consist of lectures, specialized video presentations, case study analysis, guest lectures, interactive discussions, and critical analysis of additional readings.
  - Office Hours: Students are encouraged to make full use of the office hours of their instructor in order to consult and discuss issues related to the course's content.
  - Use of blackboard site, where instructors post lecture notes, assignments instructions, timely announcements, as well as additional resources.

**ASSESSMENT:**

**Summative:**

First Assessment: Term project (group, 4,000-4,500 words; presentation of group project; individual peer evaluation)
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<b>70%</b>
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	<table border="1" data-bbox="634 138 1377 205"> <tr> <td>Final Assessment: Written Examination (essay-type questions)</td> <td style="text-align: center;"><b>30%</b></td> </tr> </table> <p><b>Formative:</b></p> <table border="1" data-bbox="634 268 1377 302"> <tr> <td>Case study analysis and discussion</td> <td style="text-align: center;"><b>0</b></td> </tr> </table> <p>The formative test aims to prepare students for the summative assessments. The term project tests Learning Outcomes 1 and 2. The final examination tests Learning Outcome 3.</p> <p>Students are required to resit failed assessments in this module.</p>	Final Assessment: Written Examination (essay-type questions)	<b>30%</b>	Case study analysis and discussion	<b>0</b>
Final Assessment: Written Examination (essay-type questions)	<b>30%</b>				
Case study analysis and discussion	<b>0</b>				
<b>INDICATIVE READING:</b>	<p><b>REQUIRED MATERIAL:</b> Ietto-Gillies, G. <i>Transnational Corporations and International Production. Concepts, Theories and Effects</i>, E. Elgar (the latest edition – 3<sup>rd</sup> edition, 2019).</p>				
	<p><b>RECOMMENDED READING:</b></p> <p><b>BOOKS</b></p> <p>Dunning, J. H. (2012) <i>International production and the multinational Enterprise (RLE international business)</i>. Routledge.</p> <p>Moon, H-C. (2015), <i>Foreign Direct Investment: A Global perspective</i>, World Scientific.</p> <p><b>ARTICLES</b></p> <p>Alfaro, L. (2017) "Gains from foreign direct investment: Macro and micro approaches", <i>The World Bank Economic Review</i>, 30(1), 2-15.</p> <p>Buckley, P.J. (2021) "Fundamental Issues in Strategy: A Comment", <i>Strategic Management Review</i>, Vol. 2(1), 145-156. <a href="http://dx.doi.org/10.1561/111.00000020">http://dx.doi.org/10.1561/111.00000020</a></p> <p>Buckley, P. J., Chen, L., Clegg, L. J., &amp; Voss, H. (2018) "Risk propensity in the foreign direct investment location decision of emerging multinationals", <i>Journal of International Business Studies</i>, 49(2), 153-171.</p> <p>Cole, M. A., Elliott, R. J., &amp; Zhang, L. (2017) "Foreign direct investment and the environment", <i>Annual Review of Environment and Resources</i>, 42, 465-487.</p> <p>Cuervo-Cazurra, A., Doz, Y., &amp; Gaur, A. (2020) "Skepticism of globalization and global strategy: Increasing regulations and countervailing strategies", <i>Global Strategy Journal</i>, 10, 3-31. DOI: 10.1002/gsj.1374</p> <p>Danakol, S. H., Estrin, S., Reynolds, P., &amp; Weitzel, U. (2017) "Foreign direct investment via M&amp;A and domestic entrepreneurship: blessing or curse?", <i>Small Business Economics</i>, 48(3), 599-612.</p> <p>Driffield, N., Love, J. &amp; Yang, Y. (2014) "Technology Sourcing and Reverse Productivity Spillovers in the Multinational Enterprise:</p>				

	<p>Global or Regional Phenomenon?", <i>British Journal of Management</i>, Vol. 25, S24-S41</p> <p>Dunning, J. H. (2015) "The eclectic paradigm of international production: a restatement and some possible extensions" <i>The eclectic paradigm</i>, 50-84.</p> <p>Gaur, A. S., Ma, X., &amp; Ding, Z. (2018) "Home country supportiveness/ unfavorableness and outward foreign direct investment from China", <i>Journal of International Business Studies</i>, 49(3), 324-345.</p> <p>Giuliani, E., Gorgoni, S., Günther, C., &amp; Rabellotti, R. (2014) "Emerging versus advanced country MNEs investing in Europe: A typology of subsidiary global–local connections", <i>International Business Review</i>, 23(4), 680-691.</p> <p>Harms, P., &amp; Méon, P. G. (2018) "Good and useless FDI: The growth effects of greenfield investment and mergers and acquisitions", <i>Review of International Economics</i>, 26(1), 37-59.</p> <p>Liou, R. S., &amp; Rao-Nicholson, R. (2020) "Multinational enterprises and Sustainable Development Goals: A foreign subsidiary perspective on tackling wicked problems" <i>Journal of International Business Policy</i>, 1-16.</p> <p>Peng, G. Z., &amp; Beamish, P. W. (2019) "Subnational FDI legitimacy and foreign subsidiary survival", <i>Journal of International Management</i>, 25(3), 100662.</p> <p>Villaverde, J., &amp; Maza, A. (2015) "The determinants of inward foreign direct investment: Evidence from the European regions", <i>International business review</i>, 24(2), 209-223.</p> <p>Xiao, J., Liu, Y., Wu, R., &amp; Xia, J. (2020) "Corporate Strategy and Subsidiary Performance: The Effect of Product and Geographic Diversification", <i>Management and Organization Review</i>, 16(5), 996-1029. doi:10.1017/mor.2019.20</p> <p>Yi, X., &amp; Naghavi, A. (2017) "Intellectual property rights, FDI, and technological development", <i>The Journal of International Trade &amp; Economic Development</i>, 26(4), 410-424.</p> <p>Wu, J., Ma, Z., &amp; Zhuo, S. (2017) "Enhancing national innovative capacity: The impact of high-tech international trade and inward foreign direct investment", <i>International Business Review</i>, 26(3), 502-514.</p>
<p><b>INDICATIVE MATERIAL:</b> (e.g. audiovisual, digital material, etc.)</p>	<p><b>REQUIRED MATERIAL: N/A</b></p> <p><b>RECOMMENDED MATERIAL: N/A</b></p>
<p><b>COMMUNICATION REQUIREMENTS:</b></p>	<p>Term project submitted in Word. Presentation software Effective writing and presentation skills using appropriate terminology.</p>

<b>SOFTWARE REQUIREMENTS:</b>	MS Office
<b>WWW RESOURCES:</b>	<p> <a href="http://www.unctad.org">www.unctad.org</a>  <a href="http://www.wto.org">www.wto.org</a>  <a href="http://www.oecd.org">www.oecd.org</a>  <a href="http://www.worldbank.org">www.worldbank.org</a>  <a href="http://www.imf.org">www.imf.org</a>  <a href="http://www.europa.eu.int/comm/eurostat">www.europa.eu.int/comm/eurostat</a>  <a href="http://europa.eu.int/youreurope/nav/en/business/home.html">http://europa.eu.int/youreurope/nav/en/business/home.html</a>  <a href="http://www.eubusiness.com">www.eubusiness.com</a> </p> <p>Other internet sources suggested by the instructor throughout the semester.</p>
<b>INDICATIVE CONTENT:</b>	<ol style="list-style-type: none"> <li>1. Evolution and trends of Foreign Direct Investment (FDI)</li> <li>2. Geographical segmentation of FDI</li> <li>3. Theories of international production</li> <li>4. International sourcing and global supply chains</li> <li>5. Strategic issues in FDIs through cross-border mergers &amp; acquisitions</li> <li>6. Subsidiary strategic roles</li> <li>7. Ethical considerations of inward FDI in emerging markets</li> <li>8. The impact of incentives to attract FDI in national competitiveness</li> <li>9. FDI impact on growth, technology transfer, job creation &amp; financial volatility</li> <li>10. Greek market attractiveness for FDIs</li> </ol>