

**Belarus State Economic University**

**Educational institution**

**APPROVED**

The Rector of Belarus State Economic  
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\_\_\_\_\_ V.Y.Shutilin

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**BUSINESS-ENVIRONMENT OF GLOBAL COMPANIES**

Syllabus for Master's program

Specialization 1-25 80 02 «World Economy»

2019

**The authors:** *Pranevich A. A.*, Dr. Hab., professor, Dean of the faculty of international economic relations; *Petrushkevich A. N.*, Ph. D., associate professor, Department of World Economy, Belarus State Economic University; *Vashkevich J.B.*, *Garashenko E.A.*, *Martinovich E.A.*, *Muradian K.B.*, assistant professors, Department of World Economy, Belarus State Economic University.

**Readers:**

*Levkovich A.P.* – Ph. D., associate professor, Department of International Business, Belarus State Economic University

*Malashenkova O.F.* – Ph. D., associate professor, Deputy Dean, Belarus State University.

**Recommended for approval:**

by the Department of World Economy, Belarus State Economic University

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## **Explanatory note**

1. The purpose of teaching the discipline (the subject of study and its place in the system of training a specialist in this profile)

The discipline “Business environment of global companies” is the main course in training international economists with master's qualifications, as it reflects the most important manifestations of the modern stage of development of the world economy, which are associated with the peculiarities of the process of internationalization of capital and production under globalization.

The subject of the discipline "Business environment of global companies" is the definition of the content and diversity of forms of global companies and international business, features of the investment expansion of global companies; supranational regulation of foreign direct investment and bilateral investment agreements; industry and operational features of the global business environment; foreign trade environment of global companies; creating own startup in the international market, internationalizing companies.

The purpose of the discipline is to develop systematized knowledge and skills in the field of global companies functioning, as well as the creation and internationalization of their own business, taking into account features of the countries with different levels of socio-economic development.

Targets of the course (implementation of requirements to qualification):

The tasks of studying an academic discipline include:

- clarification of the theoretical foundations of international business, the forms of global companies and the specifics of the business environment of their functioning;
- the study of the structure and content of the business environment of the functioning and international expansion of national business and global companies;
- study of the existing practice of national and supranational regulation of international expansion and the functioning of global companies.

After learning of the course master must:

***have known:***

1. features of local and global business environment of companies;
2. the structure and content of the industry and operational environment of global companies;
3. modern factors of transformation of the world economy;
4. features of the formation and functioning of the foreign trade environment in the global economy;
5. the determinants and strategies of investment expansion of global companies and the export of direct investment;

6. features of the assessment of the investment climate of the recipient country and its components;

7. theory and practice of supranational regulation of international investments;

8. international experience in concluding bilateral agreements on mutual protection and investment promotion;

9. the foundations of the start-up institution and its international expansion;

10. features of regulation of start-up business;

11. options for the internationalization of business for companies from developing countries and countries with transition economies;

***be good in:***

- distinguish the forms of global companies;
- apply methods for assessing the investment climate of countries;
- identify the components of the industry and operational environment of global companies;

- distinguish between tools and forms of direct investment abroad;
- determine the structure and content of the foreign trade environment for the functioning of global companies;

- choose the form of business internationalization for companies from developing countries and countries with transitional economies;

***have skills in:***

- determine the types and organizational forms of international business expansion;

- identify the advantages and disadvantages of the external and local business environment of the functioning of global companies;

- recognize real investment and foreign trade regimes in the policies of states;

- determine the factors and driving forces of the internationalization of start-ups.

Total academic hours for the course – 108, including total academic hours in auditorium – 36/10, including 20/6 h – lectures, 16/4 h – seminars. Form of control – an exam.

The academic discipline “Business environment of global companies” is based on the knowledge gained at the first stage of higher education in the study of the academic discipline “International Economic Relations”.

## **CONTENT OF TEACHING MATERIALS**

### **Theme 1. The global companies environment.**

Modern business environment: complexity, mobility, variability, problem of controllability, factors of change, risks. Local and global business environment: the problem of interaction. Components of the business environment: competition, government support, infrastructure and resource changes, pricing.

External business environment: borders, markets, regulation. Features of the international business environment in a globalized world economy. Doing business in terms of integration. Opportunities and threats for national business in the system of regional integration associations. The impact on local business integration at the micro level. Preparatory actions of the company when entering the political and legal space of a new foreign market. The impact of international organizations and their legal activities on international business.

### **Theme 2. Industry and operating business environment of global companies.**

Industry environment of a company. Identifying Industry Structure. Industries and Markets: concepts and boundaries. Porter's Five Forces of Competition Framework (content, limitations, extensions). Dynamic Competition: Hypercompetition, Game Theory, and Competitor Analysis. Segmentation Analysis. Strategic groups.

Operating environment of a company. Competitive position. Customer Profile. Suppliers. Creditors. Labor.

### **Theme 3. Foreign trade environment of the functioning of global companies.**

Theory of foreign trade. The main stages of the formation of foreign trade regulation of commodity flows: features, prerequisites, the impact on the economies of countries, on international trade.

Modern factors of transformation of the world economy (international economic integration, asymmetry, competition, regional agreements, etc.) affecting the functioning of foreign trade regulation of goods.

Methods of foreign trade regulation (tariff, non-tariff). Modern tools for the regulation of commodity flows in the conditions of economic integration.

Features of the formation and functioning of the foreign trade environment in the global economy (for example, countries, integration associations). Quantitative and qualitative analysis of the effectiveness of foreign trade regulation. Country features, features of integration associations. Features of the EEU foreign trade environment.

### **Theme 4. Determinants of global company's investment expansion.**

FDI determinants and ODI determinants. Dependency of the determinants on the industry, strategies of investment, economic development of home and host countries.

Investment climate: composition and methods of evaluation. Transnational investment risks. Ratings of investment climate assessment.

ODI-policy: its structure, institutional promotion of ODI. Forms, methods and instruments of ODI governance in home country.

FDI-policy. Investment regimes: definitions, absolute and relative types of the regime. Structure of FDI national regulations measures. Structure of FDI promotion measures.

### **Theme 5. International regulatory framework of international investment of global companies.**

Bilateral investment treaties: structure, content, advantages of bilateral regulation. Peculiarities in IIA provisions in international practice of different groups of countries.

Regulations of transnational investment by regional and international agreements. International investment provisions in economic integration agreements.

Interregional investment agreements. OECD regulatory framework. IMF and World Bank regulation of transnational investment. International investment agreements within WTO.

### **Theme 6. Own startup in the international market.**

Linear-functional organization of a startup. Formation of new business. Formation of an international team and the role of each participant in it. Models of the international team. Measurement of utility (KPI), system of motivations, result orientation.

Legal aspects of startups. Regulatory documents of the largest international business incubators and accelerators. Features of business start-up regulation.

Financing and attraction of investments. Mechanisms for attracting project financing at all levels of its development (international lending, investment). IPO.

Scale project. Changing the internal structure of the company. Strategies for entering international markets. Unification and specification of the project. Franchising.

Promotion of a start-up project in the global market using social and search networks. SEO, SMM (including remarketing, retargeting). Effective channels to attract the target audience of international projects.

Development of international partnership agreements. Traffic generation through international partner networks.

### **Theme 7. Business internationalization opportunities for companies from developing countries and countries with transition economies.**

Internationalization through strategic alliances: advantages and disadvantages. The causes of internationalization through alliances. Organizational problems. The choice of forms of strategic alliances. Licensing. Subcontracting. Franchising. Joint R & D. Equity alliances and holdings.

Joint venture: advantages and disadvantages. Stages of creation: pre-negotiation and negotiation stages. The main issues of the negotiations. Establishment of a joint venture. Organizational issues and management issues. Financing and financial policy of the joint venture.

## TEACHING AND METHODOLOGICAL CARD OF THE COURSE

### *«Business-environment of global companies»*

Specialization 1-25 80 02 «World Economy»

(Full-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium						Other	Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies (Lectures)	Self-studies (Seminars)		
1	2	3	4	5	6	7		8	9
1	The global companies environment	1	-	1	-	1	0,5	Power Point Presentation, handouts, reading [1, 2, 3, 7, 8, 9]	Oral test
2	Industry and operating business environment of global companies	2	-	2	-	1	1	Power Point Presentation, handouts, reading [1, 2,3, 24]	Oral test



3	Foreign trade environment of the functioning of global companies	2	-	2	-	1	0,5	Power Point Presentation, handouts, reading [1, 18-21]	Oral test
4	Determinants of global company's investment expansion	1	-	2	-	1	0,5	Power Point Presentation, handouts, reading [4, 10, 13, 24]	Oral test
5	International regulatory framework of international investment of global companies	2	-	1	-	1	0,5	Power Point Presentation, handouts, reading [4, 7, 11-17, 22-25]	Oral test
6	Own startup in the international market	2	-	2	-	1	0,5	Power Point Presentation, handouts, reading [2, 5, 6, 8, 9]	Oral test
7	Business internationalization opportunities for companies from developing countries and countries with transition economies	2	-	2	-	2	0,5	Power Point Presentation, handouts, reading [1, 2, 3, 13, 24]	Oral test
	<b>Total</b>	<b>12</b>		<b>12</b>		<b>8</b>	<b>4</b>		<b>Final test</b>

## TEACHING AND METHODOLOGICAL CARD OF THE COURSE

*«Business-environment of global companies»*

Specialization 1-25 80 02 «World Economy»

(Part-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium					Other	Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies		
1	2	3	4	5	6	7	8	9
1	The global companies environment	0,5	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 2, 3, 7, 8, 9]	Oral test
2	Industry and operating business environment of global companies	1	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 2, 3, 21]	Oral test

3	Foreign trade environment of the functioning of global companies	1	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 18-21]	Oral test
4	Determinants of global company's investment expansion	0,5	-	0,5	-	-	Power Point Presentation, handouts, reading [4, 10, 13, 21]	Oral test
5	International regulatory framework of international investment of global companies	1	-	0,5	-	-	Power Point Presentation, handouts, reading [4, 7-11, 13]	Oral test
6	Own startup in the international market	1	-	0,5	-	-	Power Point Presentation, handouts, reading [2, 5, 6, 8, 9]	Oral test
7	Business internationalization opportunities for companies from developing countries and countries with transition economies	0,5	-	1	-	-	Power Point Presentation, handouts, reading [1, 2, 3, 13, 21]	Oral test
	<b>Total</b>	<b>6</b>		<b>4</b>				<b>Final test</b>

## **Informational and methodical chapter**

### *Methodical recommendations for self-studies of master students on the course of Business-environment of global companies*

Self-studies of master students are very important stage in obtaining the knowledge on the course. In average 2-2.5 h is recommendable for the self-studies in proportion for each 2 h of classes.

Main components of self-studies for master students are the following:

- detailed review of the course syllabus;
- examining the reading list of the course, obtaining it in the library and in different other available sources, studies of the literature on the theme and additional literature selection;
- studies on the bases of expansion the lectures' materials at expense of the special literature and consultations;
- preparations for seminars which are based on elaborated outlines with references on obligatory and additional literature;
- current testing;
- preparations for final exam.

## **Reading:**

### ***Obligatory***

1. Grant, R. Contemporary Strategy Analysis. 9-th ed. / Robert M. Grant. – Chichester: Wiley, 2016. – 759 p.
2. Pearce II, J., Robinson, R. Strategic management. 14-th ed. / John A. Pearce II, Richard B. Robinson. – McGraw Hill Education, 2014. – 880 p.
3. Porter, M. Competitive Strategy: Techniques for Analyzing Industries and Competitors / Michael E. Porter. – Simon & Schuster Ltd, 2004. – 416 p.
4. Porter, M.E., Heppelmann, J.E. How smart connected products are transforming competition // Harvard Business Rev. – Boston, 2014. – N 11/12.
5. Economic and legal aspects of FDI. Teaching materials - New York, Geneva: United Nations, UNCTAD Virtual Institute, 2010. – 316 p.

### ***Additional***

6. Trends in FDI, home country measures and competitive neutrality/ K. P. Sauvart [et al.]. - New York: Columbia University, 2014. - 118 p.
7. Gurova, I.P. World Economy / I.P. Gurov. - 3rd ed., Revised. - Moscow: Omega - L, 2009. - 391s.
8. Davydenko, E.L. Foreign trade policy of a small economy in the context of the liberalization of the international trading system / E.L. Davydenko. - Minsk: BSU, 2008. - 278c.
9. Institutional Economics: New Institutional Economic Theory: Textbook / General Ed. Dr.E., prof. A.A. Auzana - M.: INFRA-M, 2005. - 416s.
10. Isachenko, T.M. WTO reform: prerequisites, conditions and prospects / T.M. Isachenko // Bulletin of MGIMO University. - 2016. - №3 (48). - p. 239-248.
11. Medvedkova, I.A. Doha crisis, the results of Nairobi, the prospects for Buenos Aires / IA, Medvedkova // Economic horizons. - 2017. - №1 (34). - pp. 49-56.
12. World Investment Report 2012: Towards a New Generation of Investment Policies. - New York, Geneva: United Nations, UNCTAD, 2012. - 204 p.
13. World Investment Report 2013: Global Value Chains: Investment and Trade for Development. - New York, Geneva: United Nations, UNCTAD, 2013. - 236 p.
14. World Investment Report 2014: Investing in SDGs: an Action Plan. - New York, Geneva: United Nations, UNCTAD, 2014. - 229 p.
15. World Investment Report 2015: Reforming International Investment Governance. - New York, Geneva: United Nations, UNCTAD, 2015. - 218 p.

16. World Investment Report 2016: Investor Nationality: Policy Challenges. -- New York, Geneva: United Nations, UNCTAD, 2016. - 193 p.
17. World Investment Report 2017: Investment and The Digital Economy. – New York, Geneva: United Nations, UNCTAD, 2017. – 252 p.
18. World Investment Report 2018: Investment and New Industrial Policies. – New York, Geneva: United Nations, UNCTAD, 2018. – 193 p.
19. UNCTAD Training Manual on Statistics for FDI and Operations of TNCs. Vol. 1: FDI Flows and Stock Data - New York, Geneva: United Nations, UNCTAD, 2009. - 150 p.
20. Patterns of Internationalization for Developing Country Enterprises (Alliances and Joint Ventures) - Vienna: United Nations, UNIDO, 2008. - 225 p.
21. OECD Code of Liberalisation of Capital Movements. - Paris: OECD, 2016. – 179 p.

### Syllabus negotiation protocol

Study discipline for coordination	Department	Suggestions of the alterations in the study program contests	Decision taken by the department regarding the study program (data and protocol number)
1	2	3	4
			Protocol N dated