Governments all over the world can both impose costs and generate competitive advantages for multinational companies. Either way multinational companies cannot ignore the impact of governments on their global value chain. This course will focus on political strategies of multinational companies focusing on the relationship between the headquarters, subsidiaries and governments. The course will help students to develop their corporate diplomatic skills.

The course will discuss how multinational companies emerged as global actors, how they negotiate with governments, what is corporate diplomacy and corporate diplomats, how nongovernmental actors can affect companies and how to deal with institutional voids in emerging markets.

The classes will be composed of lectures, business cases, discussion forums and other resources that will help students to connect business strategy concepts to international politics, and to connect them to the real world of government-multinational companies’ relationship.

**COURSE OBJECTIVES**

To recognize the non-market strategies of multinational corporations
To be able to compare, contrast and integrate multiple political and market scenarios into a single decision-making
To recommend a course of action based in an integrated knowledge of politics and business strategy
To formulate stakeholders’ management scenarios

**LEARNING / TEACHING**

All deliverables are due by 8 PM São Paulo Time on the due date.

Students are expected to attend all sessions and participate actively in the class, through questions and comments online. Up to two absences will be excused without penalty, but there will be a steep drop in class participation grades for more than two absences.

Sessions are scheduled to 9:00 PM São Paulo Time but on quiz days you have to log on into eclass platform at 830 PM. You will have 20 minutes to complete the test.

All class sessions will be recorded and available for subsequent viewing.
Quiz – Asynchronous contents is theoretical. Both readings and lectures. Each quiz provides a quick evaluation of these contents. Each quiz will be available 30 minutes prior to class at eclass system. You will have 20 minutes to complete the test.

Pecha Kucha – Pecha kucha are very dynamic presentations of 20 slides (usually images) shown for 20 seconds each (6 minutes and 40 seconds total presentations). Each student will have to develop a pecha kucha presentation for an assigned subject during the term. Find more at: http://www.pechakucha.org/presentations/how-to-create-slides

Cases – Cases will be a major tool for discussion in groups (asynchronous) and online (synchronous). Each group will have to answer assigned key questions and email answers before the beginning of each class.

List of Cases
Case 1 – The Corporation (Documentary)
Case 2 – Power Trip or Power Play (Documentary)
Case 3 – International Lobbying and the Dow Chemical Company
Case 4 – Brazil Internet Bill and Snowden
Case 5 – Golden Agri
Case 6 – Crisis Management
Case 7 – Corruption at Siemens
Case 8 - Filling Institutional Voids in Indonesia: Jababeka’s Foray into Infrastructure

*Prior knowledge of business strategy is desirable (basic course)

PERFORMANCE EVALUATION

<table>
<thead>
<tr>
<th></th>
<th>% of Class</th>
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<tbody>
<tr>
<td>Quiz</td>
<td>20 %</td>
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<tr>
<td>Pecha Kucha</td>
<td>10 %</td>
</tr>
<tr>
<td>Cases</td>
<td>70 %</td>
</tr>
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Class Participation is a fundamental feature of this course. Reading assigned material prior to classes and preparing to engage in fruitful discussion are demanded.

Grades will be between 0 and 10 and than translated to a normal curve between A and E:

<table>
<thead>
<tr>
<th>Grade</th>
<th>% of Class</th>
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<tbody>
<tr>
<td>A</td>
<td>9 - 10</td>
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<tr>
<td>B</td>
<td>8 – 8,99</td>
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<td>C</td>
<td>7 – 7,99</td>
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<tr>
<td>D</td>
<td>6,5 – 6,99</td>
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<td>E</td>
<td>6 – 6,45</td>
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<tr>
<td>F</td>
<td>0 – 5,99</td>
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</table>

Grades bellow 6 fail (F) the class
<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Content</th>
<th>Readings</th>
</tr>
</thead>
</table>
| 1       | 30/01 | What is International Politics? The Westphalian Peace, the notion of state, sovereignty and territory (Asynchronous)  
Introduction to class goals and structure. Group formation (Synchronous)  
Me and my country presentation (Synchronous) | Nye, J. Understanding International Conflicts An Introduction to Theory and History. Chapter 1  
| 2       | 06/02 | Quiz 1  
The Emergence of MNCs as Global Actors (Asynchronous)  
Watch The Corporation (https://www.youtube.com/watch?v=Z4ou9rOssPg)  
Group discussion (Asynchronous)  
Discussion on Corporations as Global Actors (Synchronous) | Stephen J. Korbin, “Sovereignty @ bay: Globalisation, multinational enterprise, and the international political system” Chapter 7 in Alan Rugman and Thomas Brewer, eds., The Oxford Handbook of International Business, Oxford University Press |
| 3       | 13/02 | The two level games (Asynchronous)  
Watch Power Trip or Power Play (https://www.youtube.com/watch?v=XLasmBm1MJc) (Asynchronous)  
Group case discussion (Asynchronous)  
Winning the influence Game: how not to loose your business in a foreign country (case discussion) (Synchronous) | Putnam, Robert D. Diplomacy and Domestic Politics: The Logic of Two-Level Games, International Organization 42:3 pp.427-460. 1988  
<table>
<thead>
<tr>
<th></th>
<th>Date</th>
<th>Topic</th>
<th>Synchronous</th>
<th>Reference</th>
</tr>
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<tbody>
<tr>
<td>5</td>
<td>06/03</td>
<td>Corporate Diplomacy (Asynchronous)&lt;br&gt;Stakeholder Management (Asynchronous)&lt;br&gt;Case NSA Snowden (to be confirmed) group discussion (Asynchronous)&lt;br&gt;The role of political connections in my country (an individual Pecha Kucha presentation) (Synchronous)&lt;br&gt;Discussion on corporate diplomacy and issues management (Synchronous)</td>
<td>Chipman J. Why Your Company Needs a Foreign Policy. Harvard Business Review, September 2016 94(9):36-134&lt;br&gt;Cantrell, J., Kyriazis, E., and Noble, G. Developing CSR Giving as a Dynamic Capability for Salient Stakeholder Management. Journal of Business Ethics, 130(2), 403-421. 2015</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>27/03</td>
<td>Corporate Diplomacy and the Information dimension (Asynchronous)&lt;br&gt;Case – Crisis Management to be assigned on 11/4. Groups will have only 24 hours to prepare media response for a corporate crisis. (Asynchronous)&lt;br&gt;Civil society shaping the rule of the game in my country (an individual Pecha Kucha presentation) (Synchronous)&lt;br&gt;Corporations meet the press (Synchronous)</td>
<td>Schweitzer M, Brooks A, Galinsky A. The Organizational Apology. Harvard Business Review. September 2015;93(9):44-52</td>
<td></td>
</tr>
</tbody>
</table>
8  03/04
Quiz 4
Corporate Lobby X Corporate Corruption (Asynchronous)
Case Corruptions at Siemens – Group discussion (Asynchronous)
Multinational companies meet the press in my country (an individual
Pecha Kucha presentation)
The high price of selling for any price: lobby X corruption
(Synchronous)

Campos, N. F., and Giovannoni, F. Lobbying, corruption and political
influence. Public Choice, 131(1/2), 606-624. 2007
Currell D, Davis Bradley T. Greased Palms, Giant

9  10/04
Multinational Companies and Institutional Voids (Asynchronous)
Case Filing Institutional Voids in Indonesia: Jababeka’s Foray into
Infrastructure – Group discussion (Asynchronous)
Doing business in emerging countries: filling the institutional void
(Synchronous)

Khana, T; Palepu, T; Sinha,
J. Strategies that Fit
Emerging Markets. Havardard Business
Review June 2005

RÉSUMÉ

Gilberto Sarfati is Associate Dean of Specialized Masters and professor of entrepreneurship and international business at FGV-EAESP. He is the author of the books “Theories of International Relations” published by Editora Saraiva in 2005, “Handbook of Corporate Diplomacy” published in 2007 by Editora Atlas and The Third Chessboard: How Multinational Companies Negotiate in the International Economic Relations published in 2009 by Edusp, “Handbook of Negotiation” published in 2010 by Editora Saraiva and co-author of Cross Cultural Managemente published in 2013 by Editora Atlas (available only in Portuguese) and several articles and book chapters. He is a former VP of Webster Bank-Brazil, Country Manager of Segurlink and Director of New Business Ventures at Nexxy Capital. He has been entrepreneurship consultant for the Brazilian government (Ministry of Strategic Affairs) and UNDP He also has been consultant in hundreds of national and international business plans.

Academic Background
BSc Economy: PUC-SP - 1994
MSc International Relations: Hebrew University of Jerusalem - Israel - 1998
PhD International Relations University of São Paulo (USP) - 2006
Post Doctoral Fellow in Business Strategy – FGV-EAESP-2008/09

Contacts:
e-mail: gilberto.sarfati@fgv.br
BASIC REFERENCES


Jensen, N. M., Quan, L., and Rahman, A. Understanding corruption and firm responses in cross-national firm-level surveys. *Journal of International Business Studies*, 41(9), 1481-1504. 2010

Korbin, S. “Sovereignty @ bay: Globalisation, multinational enterprise, and the international political system” Chapter 7 in Alan Rugman and Thomas Brewer, eds., *The Oxford Handbook of of International Business*, Oxford University Press.


