

**MGMT 234**  
**COMPARATIVE MANAGEMENT:**  
**THE INTERNATIONAL DIMENSIONS OF BUSINESS**

MGMT 234  
Time: Tu/Th 3-4.30

Fall 2014  
Room: JMHH 340

**INSTRUCTOR**

Jason Jackson  
Management Department  
The Wharton School  
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**OFFICE HOURS**

Tuesday 1:30-3:00 or by appointment

**COURSE OBJECTIVES**

This course focuses on the comparative institutional environments in which business, government, and society interact. It provides students with a set of conceptual tools and analytic frameworks to navigate the complexities and ambiguities of the global economy. It provides an understanding of how to identify, measure and interpret the economic, social, political and cultural factors that shape regulatory policy, business strategy and market outcomes. It does so by traversing a rich empirical terrain that cuts across developing and industrialized countries, and is especially attentive to change over time. The course is deeply inter-disciplinary and brings insights from economics, political science, sociology, history, anthropology and geography.

**COURSE DESCRIPTION**

This 1.0 credit unit full semester elective course is designed for students from across the University of Pennsylvania. It focuses on the comparative social, political and economic environment in which business operates and provides students with the skills to identify how aspects of this environment impact on the firm. This course has **no prerequisites** and I welcome and encourage students from outside of Wharton.

The course is organized on the premise that inter-disciplinary approaches that integrate conceptual frameworks and analytic tools from economics, geography, history, political science, anthropology and sociology will provide the most powerful insights to the analysis of international business and the social implications of firm strategy across borders. As such, students will be introduced to cross-disciplinary approaches and are encouraged to bring diverse theoretical perspectives to bear on the issues that we discuss.

The course will present a number of conceptual frameworks through which the future manager or business or policy analyst can assess the impact of different institutional environments on firm behavior. However, the approach will be on critically assessing the strengths and weaknesses of existing approaches. The discussion in the course will range

both advanced industrialized as well as developing and emerging countries, and will tackle a range of cutting edge issues.

Student assessment will be based on class participation, short written responses, team presentations and a take-home final exam. There will be no midterm exam. The course will place a heavy emphasis on class discussion so it is important that everyone has prepared for each class so as to maximize engagement in the subject material and with your peers. The course encourages and rewards active participation and especially critical engagement with the material. Students are encouraged to apply the ideas and concepts discussed in the course to their own experiences, whether from other courses, work experience or travel, and to bring these perspectives to the class discussion.

## READINGS

The readings for the course will be a mixture of articles, book chapters and case studies. All required readings will be made available on Study.net or on the Canvas course platform ahead of time. From time to time as new developments of interest to the topics we cover in the class arise, I will post relevant information on the Canvas platform. In addition, I am also happy to provide optional readings for anyone who is interested, and encourage students to suggest items that may enrich the class discussion. The readings listed on the course outline below should be prepared in advance of that class session so as to ensure full participation in the class discussion.

## ASSESSMENT AND GRADING

1. Class participation including submission of short (few sentence) reactions: 30%
2. Response papers for two selected classes (max 2 single-spaced pages): 20%
3. In-class team presentation: 20%
4. Take-home final exam: 30%

### *Class-Participation (30%):*

Class participation is an extremely important element of this course. The assessment of students' participation will be based on three components: in-class discussion, reaction posts and items of interest.

*a. In-class discussion:* I expect a high-level of interactive discussion in every session. Students are expected to attend class and to participate in each and every discussion. Please come prepared to engage with your peers. Each student will be graded based upon her or his contribution to class discussion. Effective participation is accomplished by demonstrating mastery of the readings and case studies and using this mastery to generate focused comments and questions that develop insights that may not be immediately discernible from the written materials. I especially encourage class participation that applies conceptual frameworks that are presented in the class to generate alternative interpretations of the case materials. This will significantly enrich everyone's learning experience. Throughout the semester we will also employ small group discussions, debates, role-play exercises and other interactive activities that provide opportunities for different modes of engagement in the class discussion. Ultimately, the grade for class

participation will be determined by: (a) class attendance; (b) frequency of class participation; and (c) quality of class participation and reaction posts.

b. *Reaction posts*: Before each class I will post a few discussion questions on the Canvas course platform to help students prepare for the in-class discussion. Students should post brief few sentence reactions to the readings on the Canvas course platform before the start of each class. The reaction should be informed by the questions, but need not answer them directly. The questions are designed to guide the reading and interpretation of the material, but the responses should provide insight to your **own** reaction to the readings. These reaction posts will be valuable for informing the discussion we have during class. I will also provide a template document to collect all your case reaction posts throughout the semester for submission to me after our final meeting. Finally, students are **strongly** encouraged to post current events of interest on the Canvas course platform and/or introduce issues relating to comparative management during class.

c. *Items of Interest*: Students are also encouraged to post items of interest that you come across and that relate to our readings and in class discussion. These items might come from the news or other sources. Examples will be given in class.

*Response papers (20%)*: Throughout the semester students will prepare two short response papers (max 2 single-spaced pages each) discussing the readings for any two classes. The choice of which readings to focus the response paper on is thus up to each student, but you must do one before and one after Spring Break and also let me know in advance which set of readings you intend to write on. Each response paper will be due at the beginning of class. I will provide further information on these assignments in class.

*Team project (20%)*: Teams consisting of four students (preferably combining individuals from different majors and nationalities) will identify an issue of importance to comparative management, international strategy or public policy and describe how that issue might be addressed drawing on concepts and frameworks from the class. Students are also encouraged to use innovative media to present their project (e.g. video presentations) and to bring insights and materials from other courses to bear in the preparation of their project. Students are especially encouraged to integrate perspectives drawn from different disciplinary approaches. I will provide further details on the nature of the team project during the first meeting of the class.

*Take-home final exam (30%)*: This will be an *individual* exam. No discussion of the exam questions or answers will be permitted. The exam will be made available on the last day of class and students will be given ample time to complete the final.

## **FACULTY LUNCHESES**

Throughout the semester there will be opportunities to have lunches/dinners with me to give you the opportunity to talk about topics of interest in an informal setting. Sign-up will be conducted on the Canvas platform. Please note that these meal sessions are entirely optional.

**COURSE POLICIES**

Readings: Readings for the Course are listed in the syllabus below. I will also post 2-3 questions for each class session on the course platform that will help to guide students through the material and prepare for the in-class discussion.

Office hours: I will have regular office hours, and am also happy to meet with students outside of these times. I encourage you to email me to set up a meeting whenever you have questions, comments, concerns, or need help with anything. I also welcome and encourage active feedback on the course structure and content as we proceed through the semester. Please feel free to share your thoughts with me either in person during office hours or via email. I will also distribute informal evaluation forms before the midterm break to gather detailed feedback on the course.

Attendance: Attendance is mandatory for all class meetings, though exceptions will be granted for medical or family emergencies. Please contact me in advance in the event of any expected absences.

Academic Honesty and Plagiarism: The University of Pennsylvania takes academic honesty very seriously and it is important as part of students' education to learn how to declare work from others properly. For all the work that you submit, any quotations of longer than a phrase must be explicitly noted in the text. Insufficient attribution to extended quotations from external sources will be considered to be plagiarism. If at any point in time you have questions about how to cite work that is not your own or have any doubts otherwise, please consult with me. Please also refer to the University of Pennsylvania's Code of Academic Integrity for further information:

[http://www.upenn.edu/academicintegrity/ai\\_codeofacademicintegrity.html](http://www.upenn.edu/academicintegrity/ai_codeofacademicintegrity.html)

**ABOUT THE INSTRUCTOR**

Jason Jackson is a Senior Fellow and Lecturer in the Management Department and Lauder Institute at the Wharton School, University of Pennsylvania. His research focuses on the origins and evolution of the institutional arrangements that shape relations between business and the state and assesses the implications for market competition, economic growth and industrial development. His work is explicitly interdisciplinary, drawing insights from political science, sociology and management and his current research focuses on the politics of foreign investment in India.

In addition to his academic work, he has worked as a consultant and research economist with a variety of private, non-governmental and international organizations in the Caribbean, South Africa and the United States such as the United Nations Development Program (UNDP), the United Nations Development Fund for Women (UNIFEM), Oxfam America and the Caribbean Development Bank.

He holds an AB in Economics from Princeton University, an MSc in Development Economics from the University of London School of Oriental and African Studies (SOAS), an MPA from the Harvard Kennedy School and a Ph.D. in Political Economy from the Massachusetts Institute of Technology (MIT).

## COURSE OUTLINE

### **Class 1. Introduction and Course Organization**

*August 28*

Welcome to the course! Discussion of the syllabus, course content and general introduction to the field of comparative and international management.

## **PART I. GLOBALIZATION: FIRMS AND NATIONS IN THE GLOBAL POLITICAL ECONOMY**

### **Class 2. How do we use the Comparative Method? Globalizing Popular Culture through the Movie Industry (*or Bollywood vs. Hollywood*)**

*September 2*

Case: “Can Bollywood Go Global?” (HBS 9-806-040).

*In-class video clips*

Bollywood and Hollywood: Apples and Oranges?

### **Class 3. Globalization Debates: Convergence or Divergence?**

*September 4*

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton. Chapters 1 and 2.

*In class videos:*

Tom Friedman ‘The World is Flat’

<http://www.youtube.com/watch?v=53vLQnuV9FY&noredirect=1>

Pankaj Ghemawat TED talk: ‘Actually the world isn’t flat’.

[http://www.ted.com/talks/pankaj\\_ghemawat\\_actually\\_the\\_world\\_isn\\_t\\_flat.html](http://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat.html)

**PART II.**  
**COMPARATIVE INSTITUTIONAL ANALYSIS**  
**AND THE MODERN CORPORATE ORGANIZATIONAL FORM**

**Class 4. The Emergence of Modern Managerial Capitalism: Technological and Organizational Capabilities**

*September 9*

Alfred Chandler. 1990. *Scale and Scope: The Dynamics of Industrial Capitalism*.  
 Selected pages TBD.

**Class 5. Informal Institutions: Political and Industrial Culture and the Rise of Railroads in Britain, France and the United States**

*September 11*

Frank Dobbin, 1994. *Forging Industrial Policy*. Princeton: Princeton University Press.  
 Chapter 1.

**Class 6. Heroic Entrepreneurs or Robber Barons? Corporate Power and Corruption in the American Gilded Age**

*September 16*

Case: “Jay Gould and the Coming of Railroad Consolidation” (HBS Case: 391260).

William Roy. 2004. “Socializing Capital: The Rise of the Large Industrial Corporation in America.” Pp. 433-456 in *The New Economic Sociology: An Anthology*, edited by Frank Dobbin. Princeton, NJ: Princeton University Press.

**Class 7. Formal Institutions: Where do Institutions Come From?**

*September 18*

Kathleen Thelen. 2004. *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States and Japan*. New York: Cambridge University Press.  
**Selected pages indicated below:**

Chapter 1 - pages 1-7 & 20-23 (introduction and the argument in brief)

Chapter 2 – pages 39-47 & 55-63 (origins of German labor institutions and strategies of German firms)

Chapter 3 – pages 92-97 (British institutions of skill formation)

**Class 8. Varieties of Capitalism***September 23*

Peter Hall and David Soskice. 2001. "An Introduction to Varieties of Capitalism." In *Varieties of Capitalism*, ed. Hall and Soskice. New York: Oxford University Press. Skim pages 1-5, focus on **pages 6-44 and 54-60**.

**Class 9. Regional Norms and Institutions: Networked vs. Hierarchical Models of Corporate Organization (or Boston vs. Silicon Valley)***September 25*

Annalee Saxenian. 1996. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Cambridge: Harvard University Press. Introduction and Chapters 1-3.

**Class 10. Are Corporations People? Corporate Personhood in Comparative and Historical Perspective***September 30*

Teemu Ruskola. 2012. "What is a Corporation? Liberal, Confucian and Socialist Theories of Enterprise Organization (and State, Family and Personhood)." *Seattle University Law Review*, Vol. 37, pp. 639-666.

Naomi Lamoreaux and William Novak. 2014. "Getting the History Right: Tracking the *real* history of corporate rights in American constitutional thought." Slate.com [http://www.slate.com/articles/news\\_and\\_politics/jurisprudence/2014/03/hobby\\_lobby\\_and\\_corporate\\_personhood\\_heres\\_the\\_real\\_history\\_of\\_corporate.html](http://www.slate.com/articles/news_and_politics/jurisprudence/2014/03/hobby_lobby_and_corporate_personhood_heres_the_real_history_of_corporate.html)

**Class 11. Are Corporations People? Debating Corporate Personhood***October 2*

Excerpts from:

*Citizens United vs. Federal Election Commission (2011)*

*Sebelius vs. Hobby Lobby Stores Inc. (2014)*

**\*\* FIRST RESPONSE PAPER DUE \*\***

### **PART III. COMPARATIVE MODES OF CORPORATE GOVERNANCE: INSTITUTIONS, ORGANIZATIONS AND STRATEGY**

#### **Class 12. Modes of Firm Organization and Corporate Governance: The Evolution of American Managerial Capitalism**

*October 7*

Neil Fligstein “The Intraorganizational Power Struggle: Rise of Finance Personnel to Top Leadership in Large Corporations.” *American Sociological Review*, Vol. 52, February 1987. **Read pages 44-50** (pages 51-58 are optional).

Frank Dobbin and Dirk Zorn “Corporate Malfeasance and the Myth of Shareholder Value” in Diane E. Davis (ed) *Political Power and Social Theory*, Vol. 17. **Read pp. 179- 182** (pages 182-198 are optional).

**\*\*\* FALL BREAK \*\*\***  
*No Class on Thursday October 9*

#### **Class 13. Financialization: The Rise of American Finance and Global Financial Capitalism**

*October 14*

Gerald Davis, 2010. “Not Just a Mortgage Crisis: How Finance Maimed Society”. *Strategic Organization*, 8(1), pp. 75-82.

Greta Krippner, 2005. “The Financialization of the American Economy” *Socio-Economic Review*. Vol. 3, 173-208. **Skim.**

#### **Class 14: Regulatory Capture and ‘Crony Capitalism:’ Asian Financial Crisis (1997) and Global Financial Crisis (2008)**

*October 16*

James Kwak. 2013. “Cultural Capture and the Financial Crisis” in Daniel Carpenter and David Moss (Eds.) *Preventing Regulatory Capture: Special Interest Influence and How to Limit it*. New York: Cambridge University Press.

Ha-Joon Chang. 2000. “The Hazard of Moral Hazard: Untangling the Asian Financial Crisis.” *World Development*, Vol. 28, No. 4, pp. 775-788.

*In class video:*

Clip from *Thank You for Smoking*

<http://www.youtube.com/watch?v=4HC3xwlfcm>



**Class 15: Moral Economy and Business Ethics in the Financial Crisis: Comparative Perspectives Across the US and Europe**  
**October 21**

Marion Fourcade, Philippe Steiner, Wolfgang Streeck and Cornelia Woll 2013.  
“Discussion Forum: Moral Categories in the Financial Crisis.” *Socio-Economic Review*, 11, pp. 601-27.

Video: Michael Sandel on his 2012 book. *What Money Can't Buy: The Moral Limits of Markets*. Watch short video:  
<http://bigthink.com/users/michaelsandel>

**Class 16: Vulture Capitalism? Hedge Funds and Sovereign Debt in Argentina**  
**October 23**

Case: “Barber of Buenos Aires: Argentina’s Debt Renegotiation” (HBS Case 706034)

*Court case materials (amicus briefs and decisions) can be found here:*  
<http://www.jubileeusa.org/whatwedo/debt-related-issues/vulturefunds/argentina.html>

*Some recent news coverage here:*  
<http://www.theguardian.com/world/2014/jul/30/argentina-debt-default-negotiations-bondholders-break-down>  
<http://www.theguardian.com/business/economics-blog/2014/jul/31/argentina-second-debt-default-imf-bankruptcy>

**\*\* SECOND RESPONSE PAPER DUE \*\***

**PART IV. COMPARATIVE MODES OF GLOBAL PRODUCTION:  
INSTITUTIONS, ORGANIZATIONS AND STRATEGY**

**Class 17. National Strategies for Global Competitiveness: Singapore and Dubai**  
**October 28**

Case: “Singapore Inc.” (HBS Case 9-703-040 Rev Aug 2, 2005).

In Class Video: CBS 60 Minutes on Dubai Inc. Pt. 1  
<http://www.cbsnews.com/video/watch/?id=4312234n>

**Class 18. Modes of Firm Organization and Corporate Governance: Diversified Business Groups in the Developing World***October 30*

Ben Ross Schneider. "A Comparative Political Economy of Diversified Business Groups, or How States Organize Big Business" *Review of International Political Economy*, 16:2, 178-201.

**Class 19. Global Value Chains I: Power and the Changing Structure of Global Production and Inter-Firm Relations***November 4*

Gary Gereffi, 2013. "Global Value Chains in a Post-Washington Consensus World." *Review of International Political Economy*, Vol. 21, No. 1 (February 2014), pp. 9-37.

**Class 20. Global Value Chains II: Entrepreneurship and High Skilled Migration. Diasporas as Brokers?***November 6*

AnnaLee Saxenian, 2006. *The New Argonauts: Regional Advantage in a Global Economy*. Cambridge: Harvard University Press. Chapter 4: "Taiwan as Silicon Sibling".

**Class 21. Global Value Chains III: Whither the Role of Law? Labor Management and Corporate Social Responsibility (CSR) in GVCs***November 11*

\* Guest Lecturer: [Professor Brishen Rogers, Temple University School of Law](#)

This session will be led by a guest speaker, Brishen Rogers, Professor of Law at Temple University. Professor Rogers is an expert on domestic and international labor law.

Readings for the session cover the following key areas:

- I. Global Norms on Business and Human Rights: The Ruggie Principles
- II. Apple & FoxConn
- III. Bangladesh Garment Factory Disaster: Fire and Building Collapse

**Class 22. Global Value Chains IV: Whither Gender?***November 13*

Oxfam (2004) *Trading Away Our Rights: Women Working in Global Supply Chains*

**Class 23. Reforming Markets: Institutions, Politics and Morality***November 18*

Case: “Metro Cash and Carry.” HBS Case 9-707-505, January 2009.

Amy Cohen and Jason Jackson 2014. “Moral Technologies of Market Construction: Multinational Supermarkets and the Indian Bazaar”. Mimeo. Read Section IV: the case of traders and farmers in West Bengal.

**PART V. NEW TRENDS IN GLOBAL INVESTMENT****Class 24. The Rise of China: Implications for Latin America & Sub-Saharan Africa***November 20*

Kevin Gallagher and Mehdi Shafaeddin “Policies for Industrial Learning in China and Mexico”, RIS Discussion Papers RIS-DP #150. **Focus on Sects II & III.**

Kevin Gallagher “China and the Future of Latin American Industrialization” *Issues in Brief*, Boston University Center for the Study of the Longer Range Future.

Deborah Brautigam *The Dragon’s Gift: The Real Story of China in Africa*. Oxford University Press, 2011. Chapter 11 “Rogue Donor? Myths and Realities”. **Read pages p. 273-281.** The rest of the chapter is optional.

In class video

Video: Chinatown Africa (Available on YouTube)

<http://www.youtube.com/watch?v=Saron5YL4yA>

**Class 25. The Rise (or Return?) of State Capitalism***November 25*

Case: “Vale: Global Expansion in the Challenging World of Mining.” (HBS Case 710-054).

Also read the debates on state capitalism from *The Economist* linked below:

<http://www.economist.com/debate/overview/221>

**\*\* THANKSGIVING BREAK \*\***

***No Class on November 27***

**Class 26. TEAM PROJECT PRESENTATIONS**

*December 2*

**Class 27. TEAM PROJECT PRESENTATIONS**

*December 4*

**Class 28. Course Conclusion and Wrap-up**

*December 9*