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## International Business Research

Course No : 02814720

Credit : 2

Prerequisite :

Program : Graduate

Instructor : Changqi Wu

Semester : 2017 Fall

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### **Instructor's resume/brief introduction:**

#### **Instructor's contact information**

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Skype and WeChat: topdog620

#### **TA's contact information:**

#### **Office hour:**

### **Program Learning Goals and Objectives**

Learning Goal 1 Graduates will be thoroughly familiar with the specialized knowledge and theories required for the completion of academic research.

Objective 1 Graduates will have a deep understanding of basic knowledge and theories in their specialized area.

Objective 2 Graduates will be familiar with the latest academic findings in their specialized area and will be knowledgeable about related areas.

Objective 3 Graduates will be familiar with research methodologies in their specialized area, and will be able to apply them effectively.

Learning Goal 2 Graduates will be creative scholars, who are able to write and publish high-quality graduation dissertation and research papers.

Objective 1 Graduates will write and publish high-quality graduation dissertation and research papers

Objective 2 Graduates will be critical thinkers and innovative problems solvers.

Learning Goal 3 Graduates will have a broad vision of globalization and will be able to communicate and cooperate with international scholars

Objective 1 Graduates will have excellent oral and written communication skills

Objective 2 Graduates will be able to conduct efficient academic communication in at least one foreign language

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Learning Goal 4 Graduates will be aware of academic ethics and will have a sense of social responsibility.

Objective 1 Graduates will have a sense of social responsibility.

Objective 2 Graduates will be aware of potential ethical issues in their academic career.

Objective 3 Graduates will demonstrate concern for social issues.

## **Course Description and Objectives**

Built upon contemporary scholarly work on international economics, economics of multinational enterprises, and international management, this course presents a set of tools, concepts, and perspectives that help you analyze the key issues in international business and management and nurture your ability to carry independent research. After finishing this course, you should be able (1) to have a good understanding of the current literature on international business; (2) to identify important research questions in the field; (3) to carry out independent studies to address these questions.

## **Learning Approach**

The course consists of lectures, readings and class discussions. I will pass out assignment sheets that include assigned readings and discussion questions on those readings. We also use the class time to discuss the classic and contemporary research work of leading scholars in the field. Before coming to the class, you are expected to read those assigned readings that will serve as the basis of class discussion. Prepare a page of summary for each required reading identifying the key arguments, concepts, variables used, model specifications, findings and conclusions and bring it to the classroom. In addition to the regular class sessions, you are required to attend those seminars on related topics organized by the Department.

## **Evaluation**

Grading is based on 3 components: (1) class participation, which counts 50% in your final grade; (2) a research essay, which counts 30%; (3) a close book exam, which counts 20% of the final grade

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## Course Materials

### Required readings:

1. Dunning, John H. and Sarianna M. Lundan, 2008, *Multinational Enterprise and the Global Economy*, 2nd edition, Edward Elgar Publishing.

### Reference books:

1. Forsgren, Mats, 2008 *Theories of the Multinational Firm. A Multidimensional Creature in the Global Economy*. Edward Elgar.
2. Krugman, Paul, Maurice Obstfeld and Marc Melits, 2012, *International Economics*, 9th edition, Pearson.
3. Navaretti, Giorgio Barba, Anthony J. Venables, 2004, *Multinational Firms in the world Economy*, Princeton University Press.
4. Wu, Changqi and others, 2014, *Internationalization Strategy of Chinese Enterprise, Theoretical Exploration and Empirical Evidence*, Peking University Press.

### Field Journals

1. *Journal of International Business Studies*.
2. *Journal of Global Strategy*
3. *Journal of World Business*
4. *International Management Review*

## Course Outline

### Session 0

#### Introduction to International Business Research

##### Readings:

1. Buckley, P. J. 2002, Is the international business research agenda running out of steam? *Journal of International Business Studies* 33(2): 365.
2. Peng, Mike W. 2004. Identifying the big question in international business research. *Journal of International Business Studies*, 35(2): 99-108.
3. Griffith, D. A., S. T. Cavusgil and Xu, S. 2008. Emerging themes in international business research. *Journal of International Business Studies*, 39(7): 1220-1235.
4. Cheng, Joseph, 2007, Critical issues in international management research: An agenda for future advance, *European Journal of International Management*, 1(1), 23-38.

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## Part I. International Trade

### Session 1

#### Topic: Theories of International Trade

##### Readings:

1. Krugman, Paul, Maurice Obstfeld, Chapters 3 and 5.
2. Krugman, Paul, 1983, New theories of trade among industrial countries, *American Economic Review*, 73(2), 343-347.
3. Helpman, Elhanan, 2006, Trade, FDI and the organization of firms, *Journal of Economic Literature*, 44, 589-630
4. Rauch, James, 2001, Business and social networks in international trade, *Journal of Economic Literature*, 39, December, 1177-1203.

### Session 2

#### Topic: Recent Developments in Trade Research and Implications to IB

##### Readings:

1. Bernard, Andrew B., J Bradford Jensen, Stephen J. Redding, and Peter K. Schott, 2007, Firms in international trade, *Journal of Economic Perspectives*, 21(3) 105-130.
2. Hummels, David, 2007, Transportation costs and international trade in the second era of globalization, *Journal of Economic Perspectives*, 131-154.
3. World Trade Organization, 2013, Trade patterns and global value chains in East Asia: From trade in goods to trade in tasks, Geneva.

## Part II. Foreign Direct Investment and Multinational Enterprises

### Session 3

#### Topic: Economics of Multinational Enterprises

##### Readings:

1. Hymer, Stephen, 1970, The Efficiency (contradictions) of multinational corporation, *American Economic Review*, 60(2) 441-448.
2. Vernon, Raymond, 1966, International investment and international trade in product cycle, *The Quarterly Journal of Economics*, 60(20), 199-207
3. Dunning, John, 1988, The Eclectic Paradigm of International Production: A Restatement and Some Possible Extensions, *Journal of International Business Studies* 19(1): 1-31.
4. Kogut Bruce and Udo Zander, 1993, Knowledge of the firm and evolutionary theory of multinational enterprises, *Journal of International Business Studies*, 24, 625-645.
5. Kostova, T., K. Roth and M. Dacin 2008. Institutional theory in the study of Multinational Corporations: A Critique and New Directions. *Academy of Management Review* 33(4): 994-1006.

### Session 4

#### Topic: Entry Mode Strategy

##### Readings (Required):

1. Meyer, K. E., S. Estrin, S. K. Bhaumik and M. W. Peng 2009. Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal* 30(1): 61-80.
2. Puck, J. F., Holtbrugge, D., & Mohr, A. T. 2009. Beyond Entry Mode Choice: Explaining the Conversion of Joint Ventures into Wholly Owned Subsidiaries in the People's Republic of China. *Journal of International Business Studies*, 40(3): 388-404.
3. Brouthers, K. D., & Hennart, J. F. 2007. Boundaries of the Firm: Insights from International Entry Mode Research. *Journal of Management*, 33(3): 395-425.

Readings (Optional):

4. Pan, Y. G., & Tse, D. K. 2000. The Hierarchical Model of Market Entry Modes. *Journal of International Business Studies*, 31(4): 535-554.
5. Canabal, A., & White, G. O. 2008. Entry Mode Research: Past and Future. *International Business Review*, 17(3): 267-284.

## Session 5

### Topic: Location Choice

Readings (Required):

1. Nachum, L., S. Zaheer and S. Gross 2008. "Does it matter where countries are? Proximity to knowledge, markets and resources, and MNE location choices." *Management Science*, 54(7): 1252-1265.
2. Guler, I., & Guillen, M. F. 2010. Home Country Networks and Foreign Expansion: Evidence from the Venture Capital Industry. *Academy of Management Journal*, 53(2): 390-410.
3. Holburn, G. L. F. and B. A. Zelner 2010. "Political Capabilities, Policy Risk, and International Investment Strategy: Evidence from the Global Electric Power Industry." *Strategic Management Journal* 31(12): 1290-1315.

Readings (Optional):

4. Ramos, M. A. and J. M. Shaver 2009. Value creation and appropriation through geographic strategy: evidence from foreign direct investment. *Advances in Strategic Management*. J. A. Nickerson and B. S. Silverman. 29: 383 - 406.
5. Dunning, J. H. 1998. Location and the Multinational Enterprise: A Neglected Factor? *Journal of International Business Studies*, 29(1): 45-66.
6. Dunning, J. H. 2009. Location and the Multinational Enterprise: John Dunning's Thoughts on Receiving the Journal of International Business Studies 2008 Decade Award. *Journal of International Business Studies*, 40(1): 20-34.

## Session 6

### Topic: Managing Global Operations

Readings (Required):

1. Miller, S. R. and L. Eden, 2006, Local density and foreign subsidiary performance." *Academy of Management Journal* 49(2): 341-355
2. Feinberg, Susan and Anil Gupta, 2009, MNC Subsidiaries and Country Risk: Internationalization as a Safeguard against Weak External Institutions. *Academy of Management Journal*, 52 (2), 381-399.
3. Belderbos, R., & Zou, J. L. 2009. Real Options and Foreign Affiliate Divestments: A Portfolio Perspective. *Journal of International Business Studies*, 40(4): 600-620.

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**Readings (Optional):**

4. Buckley, P. J., & Casson, M. C. 1998. Models of the Multinational Enterprise. *Journal of International Business Studies*, 29(1): 21-44.
5. Jing Li. (2007). Real options theory and international strategy: A critical review. *Advances in Strategic Management*, 24, 67-101.
6. Tong, T. W., & Reuer, J. J. 2007. Real Options in Strategic Management. In Ingram, P. & B. Silverman, editors, *Advances in Strategic Management*. Amsterdam: Elsevier.
7. Zaheer, S. 1995. Overcoming the liability of foreignness. *Academy of Management Journal*, 38(2): 341-363.
8. Chan, C. M., Isobe, T., & Makino, S. 2008. Which Country Matters? Institutional Development and Foreign Affiliate Performance. *Strategic Management Journal*, 29(11): 1179-1205.
9. Henisz, W. J., & Zelner, B. A. 2005. Legitimacy, Interest Group Pressures, and Change in Emergent Institutions: The Case of Foreign Investors and Host Country Governments. *Academy of Management Review*, 30(2): 361-382.
10. Peng, M. W., D. Y. L. Wang and Y. Jiang (2008). "An Institutional-based view of international business strategy: A focus on emerging economies." *Journal of International Business Studies* 39(5): 920-936.
11. Li, J. T., Yang, J. Y., & Yue, D. R. 2007. Identity Community, and Audience: How Wholly Owned Foreign Subsidiaries Gain Legitimacy in China. *Academy of Management Journal*, 50(1): 175-190.
12. Heather Berry, MFG, and Nan Zhou. "An Institutional Approach to Measuring Cross-National Distance." *Journal of International Business Studies*, forthcoming.
13. Collinson, S., & Rugman, A. M. 2008. The Regional Nature of Japanese Multinational Business. *Journal of International Business Studies*, 39(2): 215-230.

**Session 7****Topic: Foreign Direct Investment and Political Strategy****Readings (Required):**

1. Hillman, A. J., & Wan, W. P. 2005. The Determinants of MNE Subsidiaries' Political Strategies: Evidence of Institutional Duality. *Journal of International Business Studies*, 36(3): 322-340.
2. Vaaler, P. M. 2008. How Do MNCs Vote in Developing Country Elections? *Academy of Management Journal*, 51(1): 21-43.
3. Rodriguez, P., K. Uhlenbruck and L. Eden (2005), Government corruption and the entry strategy of multinationals, *Academy of Management Review*, 30(2): 383-396.
4. Spencer, J., & Gomez, C. 2010. MNEs and Corruption: The Impact of National Institutions and Subsidiary Strategy. *Strategic Management Journal*, 32: 280-300.
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**Readings (Optional):**

6. Hillman, A. J., Keim, G. D., & Schuler, D. 2004. Corporate Political Activity: A Review and Research Agenda. *Journal of Management*, 30(6): 837-857.
7. Svensson, J. 2005. Eight Questions about Corruption. *Journal of Economic Perspectives*,

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19(3): 19-42.

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## Part III Knowledge Creation and Diffusion

### Session 8

#### Topic: Innovation Activities of Multinational Enterprises

##### Readings (Required):

1. Phene, A. and P. Almeida, 2008. "Innovation in multinational subsidiaries: The role of knowledge assimilation and subsidiary capabilities." *Journal of International Business Studies*, 39(5): 901-919.
2. Lewin, A. Y., S. Massini and C. Peeters 2009. "Why are Companies Offshoring Innovation? The Emerging Global Race for Talent." *Journal of International Business Studies*, 40(6): 901-925.
3. Govindarajan Vijay and Ravi Ramamurti, 2011. Reverse Innovation, Emerging Markets and Global Strategy, *Global Strategy Journal*, 1(3-4), 191-205.
4. Zhao, M. 2006. Conducting R&D in countries with weak intellectual property rights protection. *Management Science* 52(8): 1185-1199.

##### Readings (Optional):

1. Ahuja, G., C. M. Lampert and V. Tandon, 2008. "Moving Beyond Schumpeter: Management Research on the Determinants of Technological Innovation." *Academy of Management Annals*, 2: 1-98.
2. Almeida, P. and A. Phene, 2004. Subsidiaries and knowledge creation: The influence of the MNC and host country on innovation." *Strategic Management Journal*, 25(8-9): 847-864.
3. Bell, G. G., & Zaheer, A. 2007. Geography, Networks, and Knowledge Flow. *Organization Science*, 18(6): 955-972.

### Session 9

#### Topic: Knowledge Transfer, Technology Flow and Learning

##### Readings (Required):

1. Gupta, Anil K. and Vijay Govindarajan, 2000, Knowledge Flows within Multinational Corporations, *Strategic Management Journal*, 21, 473-496.
2. Monteiro, L. F., Arvidsson, N., & Birkinshaw, J. 2008. Knowledge Flows within Multinational Corporations: Explaining Subsidiary Isolation and Its Performance Implications. *Organization Science*, 19(1): 90-107.
3. Alcácer, Juan and Minyuan Zhao, Local R&D Strategies and Multi-location Firms: The Role of Internal Linkages.

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**Readings (Optional):**

1. Inkpen, A. C. and E. W. K. Tsang 2005, Social Capital, Networks, and Knowledge Transfer, *Academy of Management Review* 30(1): 146-165.
2. Zhao, Z. J., & Anand, J. 2009. A Multilevel Perspective on Knowledge Transfer: Evidence from the Chinese Automotive Industry. *Strategic Management Journal*, 30(9): 959-983.
3. Martin, X. and R. Salomon (2003). "Knowledge transfer capacity and its implications for the theory of the multinational corporation." *Journal of International Business Studies* 34(4): 356-373.
4. Driffield, N., J. H. Love and S. Menghinello, 2010. The multinational enterprise as a source of international knowledge flows: Direct evidence from Italy. *Journal of International Business Studies*, 41(2): 350-359.

## Part IV Special Topics

### Session 10

#### Topic: MNEs from Emerging Markets and Globalization of China's Enterprises

**Readings (Required):**

1. Guillen, M. and E. Garcia-Canal, 2009, The American model of the multinational firm and the new multinationals from emerging economics, *Academy of Management Perspectives*, 23 (2), 23-35.
2. Witt, M. A. and A. Y. Lewin, 2007, Outward foreign direct investment as escape response to home country institutional constraints, *Journal of International Business Studies* 38(4): 579-594.
3. Luo, Y. and R. L. Tung, 2007, International expansion of emerging market enterprises: A springboard perspective, *Journal of International Business Studies*, 38(4): 481-498.
4. Mathews, John A., 2006, Dragon multinationals: New players in 21st century globalization, *Asia Pacific Journal of Management*, 23, 5-27.

**Readings (Optional):**

1. Yamakawa, Y., M. W. Peng and D. L. Deeds, 2008, What drives new ventures to internationalize from emerging to developed Economies? *Entrepreneurship: Theory and Practice* 32(1): 59-82.
2. Luo, Y., Q. Xue and B. Han (2010). "How Emerging Market Governments Promote Outward FDI: Experience from China." *Journal of World Business*, 45: 68-79.
3. Buckley, P., A. R. Cross, H. Tan, H. Voss and X. Liu, 2008, Historic and emergent trends in Chinese outward direct investment, *Management International Review* 48(6): 715-748.