



**Managing in Developing Countries**  
**HSE Mikkeli**  
**September 2005**

**Course Description**

This course includes an exploration of fundamental management approaches and issues in developing countries. Attention is given to the nature and dynamics of management in emerging markets with unique challenges and opportunities. Particular emphasis is given to the role of government in national economic strategies as well as issues of market failure, employment, political risk, and cultural dynamics. Management issues of technology transfer, global sourcing, exporting and financing, among others are addressed. Management in transitional economies underscores the context of the course.

**Learning Objectives**

Learning outcomes for this course, upon successful completion, include the ability to 1) understand the concepts and vocabulary associated with developing countries, 2) identify and understand the nature of unique characteristics of management in developing economies, 3) identify and assess the challenges of emerging markets for management consideration, 4) understand and assess the nature of national economic strategies and their impact on development, and 5) identify and assess the nature of management issues for participation in the global economy.

**Instructor**

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Office hours: Monday –Friday, 8-9AM, Room 304  
Class is held in Classroom 3

**Required Materials**

Barrett, Diana and Daniella Ballou. 2003. “Heineken NV: Workplace HIV/AIDs Programs in Africa (A).” HBS Case: No. 9-303-063.

Bodrock, Phil. 2005. "The Shakedown." *Harvard Business Review*, March. Reprint R0503A

Clayoquot Controversy: A Stakeholder Dialogue simulation game

Coop America Quarterly. "Guide to Ending Sweatshops" no. 63, Summer 2004. Found at <http://www.coopamerica.org/PDF/CAQ63.pdf>

Frontline World (PBS) video on trade in coffee and other materials can found on <http://www.pbs.org/frontlineworld/stories/guatemala.mexico>

Katnic, Milorad, et al. 2001. "Trebjesa Brewery – Niksic, Montenegro Illegal Competition." Balkan Network Competitiveness Project. Available on line. Open <http://www.balkannetwork.org> , click on Publications, under "The Balkan Network", open the publication, "Obstacles to Trade, Growth, Investment and Competitiveness: Ten Case Studies on Balkan Business." Trebjesa Brewery begins on page 76.

Khanna, Tarun, Krishna G. Palepu and Jayant Sinha. 2005. "Strategies that Fit Emerging Markets." *Harvard Business Review*, June. Reprint R0506C.

Morris, Michael W. 2005. "When Culture Counts – And When It Doesn't." *Negotiation*, June. A newsletter from HBS Publishing and Program on Negotiation at Harvard Law School. Article reprint N0506D.

Smith, Steven C. 2003. Cases #1, "The Meaning of Development and #4, "Microfinance – Hope for the Poor: Grameen Bank of Bangladesh," in *Case Studies in Economic Development*, Third Edition. Available on line, open [http://wps.aw.com/aw\\_todarosmit\\_econdevelp\\_8/0,6111,284582-,00.html](http://wps.aw.com/aw_todarosmit_econdevelp_8/0,6111,284582-,00.html) and click on Case Studies.

Spar, Debra and Nicholas Bartlett. 2003. "AIDs, Life, Death and Property Rights: The Pharmaceutical Industry Faces AIDS in Africa." HBS Case No. 9-702-049.

World Bank. *World Development Report 2005: A Better Investment Climate for Everyone* Washington, D.C. Available on line <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTWDR2005/0,,contentMDK:20259914~menuPK:477673~pagePK:64167689~piPK:64167673~theSitePK:477665,00.html>

WTO's "TRIPs and Pharmaceutical Patents" Sept. 2003, Available at [http://www.wto.org/english/tratop\\_e/trips\\_e/factsheet\\_pharm00\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/factsheet_pharm00_e.htm)

For definitions, use might want to use the glossary in Soubotina, Tatyana. 2000. *Beyond Economic Growth, An Introduction to Sustainable Development*, Work Bank, Washington, DC. Available at

[http://www.wds.worldbank.org/servlet/WDS\\_IBank\\_Servlet?pcont=details&eid=000112742\\_20050126164456](http://www.wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000112742_20050126164456)

## Assessment

Course assessment consists of three exams. The exams are designed to measure your knowledge of the readings, classroom lectures, videos and exercises. The material covered by the exams is cumulative. For example, Exam #2 covers material from the beginning of the course up to and including material prepared for class session 10 on September 16<sup>th</sup>. Students may study together but must hand in work that is identifiably theirs and theirs alone.

## Grading Policy and Scale

Passing Grades	40 – 100 points
Failing Grades	0 - 39 points

Assessment consists of three cumulative exams. They are worth the following number of points:

Exam #1:	20 points
Exam #2:	30 points
Exam#3:	50 points

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Total            100 points

Please note that there are no make up exams.

Class participation and grade points: This course relies on many forms of learning. An individual's class participation and preparation contribute to the entire class's learning experience. Students who are obviously not prepared and/or are not participating will be asked to leave class so as not to impede their fellow students' class experience. Being asked to leave the class will count as being absent for the entire class.

Students lose two points per day for each day they are absent or late for three or more classes. Being late is defined as not responding to his or her name when attendance is taken at 9AM.

## Assignments

The assignments are due on the date they are listed. For example, the article by Kanna et al. should be prepared for the class held on September 6<sup>th</sup>. Additional handouts will be available in class. Please note that "WDR" refers to the World Bank's *World Development Report 2005: A Better Investment Climate for Everyone*.

1. Sept. 5. Introduction  
Read: Smith, Case #1, "The Meaning of Development"
2. Sept. 6. The Framework of Analysis  
Read: WDR Overview and Chapter 1

Article by Kanna et al.

3. Sept. 7. Political & Social Systems: Interpreting National Strategies  
Read: WDR Chapter 2  
In class case: Trebjesa Brewery
4. Sept. 8. Political & Social Systems: Managing Political Risk  
Read: WDR Chapter 4  
Article by Bodrock, "The Shakedown."
5. Sept. 9. Openness: Trade  
Exam #1
6. Sept. 12. Openness: Trade continued  
In class: Frontline World (PBS) video on trade in coffee: Can also be watched on <http://www.pbs.org/frontlineworld/stories/guatemala.mexico>  
On the website listed above, read  
"Follow Your Coffee Dollar" – including Fair Trade segment.  
In Facts & Stats section read "The Coffee Economy" and "Fair Trade in Coffee"  
"Interview with Sam Quinones: Covering Coffee Country"
7. Sept. 13. Product Markets: Informal Sectors & Microcredit  
Read: Smith, Case Study #4, "Grameen Bank"  
Bring your calculators to class
8. Sept. 14. Labor Markets: Human Capital  
Prepare: HBS Case: Heineken NV: Workplace HIV/AIDs Programs in Africa  
Read: WDR Chapter 7
9. Sept. 15: Labor Markets: Unions, Human Rights & Employment  
Read: Coop America Quarterly, no. 63, Summer 2004, "Guide to Ending Sweatshops" Available on <http://www.coopamerica.org/PDF/CAQ63.pdf>  
Contest
10. Sept. 16. Labor Markets: Continued  
Exam #2  
Contest continued
11. Sept. 19. Capital Markets: Finance & Infrastructure  
Read: WDR Chapter 6  
Video
12. Sept. 20. Technology Transfer  
Prepare: HBS Case: "AIDs, Life, Death and Property Rights"  
Read: WTO's "TRIPs and Pharmaceutical Patents" Sept. 2003, Available at [http:](http://)

[http://www.wto.org/english/tratop\\_e/trips\\_e/factsheet\\_pharm00\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/factsheet_pharm00_e.htm)

13 & 14. Sept. 21 & 22. Managing Stakeholder Relationships

Simulation: “The Clayoquot Controversy”

Read for Sept. 21: Article by Morris, “When Culture Counts – And When It Doesn’t.”

15. Sept. 23. Summary

Exam #3 (Cumulative)

### **Class Attendance**

Class participation is considered an integral part of teaching and learning at HSE Mikkeli. Therefore, regular class attendance is required of all students. Attendance records are kept for each class. The attendance policy provides that a student’s grade is negatively affected if three or more classes are missed or if a student is late to class three or more times. In addition to limits on the number of missed classes, specific class days require mandatory attendance for all students including: the first and last day of scheduled classes, all examination days, project development and presentation days, and any other days identified by the instructor. Absences beyond two may be excused only by the approval of staff and the instructor by the *Excused Absence Form*.

Please note that for this course, students lose two points per day for each day they are absent or late for three or more classes. Being late is defined as not responding to his or her name when attendance is taken.

### **Textbook Policy**

All required textbooks and other course materials are the responsibility of the student. It is the expectation of faculty that all students will have the textbook and other reading material. Faculty may impose sanctions (e.g. lowering a final grade) for not having a required textbook (or having an illegal copy of a required textbook). (HSE Mikkeli fully supports faculty in regard to these actions.)