

ESEADE

Doing Business in Latin America

DESCRIPTION: A brief explanation of Latin American history, social variables and regional free trade pacts. The impacts of the globalization process in the region. Globalization and environment. Michael Porter's references to the region. The strategies of TNCs (Trans National Companies) in the different countries Latin America

LEARNING OUTCOMES: Upon successful completion of the course, students will be able to:

- Compare and contrast cultural, demographic, and economic similarities and differences in the Ibero-American region
- Compare and contrast the effects of regionalization and globalization on the various nations
- Identify and evaluate business opportunities in Ibero-America

INSTRUCTOR: Marcelo Simon (MBA, Pace University NY, USA; MS, BS in Industrial Engineering, Instituto Tecnológico de Buenos Aires, Buenos Aires, Argentina)

METHOD OF PRESENTATION: Lectures and discussions.

LANGUAGE OF INSTRUCTION: English

REQUIRED WORK AND FORM OF ASSESSMENT: Class participation (20%); final report (10%); mid-term test (25%) and final exam (45%).

REQUIRED READINGS: Understanding Latin America by Marcelo Simón (2010)

RECOMMENDED READINGS:

- The Competitive Advantage of Nations by Michael Porter (Free Press, June 1998).
- Globalization and Its Discontents, 1st edition, by Joseph E. Stiglitz (W.W. Norton & Company, June 2002).
- The clash of civilizations by Samuel Huntington (Touchstone Books; January 1998)
- The world is flat by Thomas L. Friedman (Farrar, Straus and Giroux, LLC, April 2005)
- The end of Poverty by Jeffery Sachs (Penguin Press, New York, 2005)

COURSE CONTENT

Sessions 1 and 2:

1. Historical processes towards the current Latin American political division

- The fall of Constantinople, Henry the Sailor and Christopher Columbus
- Spain becomes a united country
- Spanish and Portuguese on the advanced guard in the conquest of America
- Initial conquering methodology. Map
- The conquest of the South American Region. Map
- The Viceroyalties, Captaincies and Audiencias. Map

- Some additional comments on colonial Administration and History
- The gradual loss of power of Spain
- A brief explanation of the emancipation process of the Spanish and Portuguese colonies in America
- But in fact, it was a Civil war between “Spanish Americans”
- The rebellions in Southern South America (BA) and Northern S. America (Caracas)
- A brief History of Brazil. A brief history of Argentina
- A brief description of the national history of the other Latin American countries
- Wrap - up: Historical Chronology
- Latin America - U.S. RELATIONS (By Warren Dean)

Session 3:

3. Economic, demographic, and Social Highlights of the region

- Selected Latin American Countries Economic Briefs
- Immigration pattern
- Human Development
- Inequality in Latin America. The Gini Index
- Educational deficits and gaps in the region
- Globalization and employment
- Social protection
- The social agenda

Session 4:

4. Integration processes in the region. Global and regional institutions and Latin America

- Sub-regional integration schemes and intra-regional free trade agreements
- The historical and cultural patterns, the countries and the FTAs in Latam
- Macroeconomic Indicators Mercosur
- Global and regional institutions and Latin America

Session 5:

5. Globalization: A historical and multidimensional perspective

- The globalization process
- Non economic dimensions of globalization
- Opportunities and risks arising from globalization

6. The economic dimension of Globalization

- International trade and investment
- The Washington Consensus
- International mobility of several chosen factors
- The BRIC Countries

7. Inequalities and asymmetries in the global order

- Inequalities in global income distribution
- Basic Asymmetries in the global order
- Globalization and its Discontents by Joseph E. Stiglitz

Session 6:

8. International finance and globalization

- Transformations in the international financial system
- Anatomy of capital flows to Latam
- The global community and the global finance
- External financing and the business cycle
- Recent trends within the global financial markets
- The effects of the sub prime rate crisis in Latam

9. Globalization and environmental sustainability

- The impact of productive restructuring on sustainable development
- Changes in the production structure and the effects on environmental sustainability
- Economic globalization and the environment
- The Kyoto Protocol

Session 7: Mid term test

Session 8:

10. An agenda for the global order

- The international agenda
- The key role of action at the regional level
- National strategies for dealing with globalization

Session 9:

11. Michael Porter's Competitive Advantage

- Background of Porter's concepts
- The Competitive Advantage of Nations
- Recent Work of Porter
- Porter concepts and Latin America

Sessions 10 and 11:

12. The integration of Latam in global trade and production systems

- Trade specialization in Latam. Strategies, modalities and sub- regional FDIs patterns
- Several comments in relation to the FDIs of the TNCs in Latam
- The composition of trade and the dangerous weaknesses of the region: export concentration of few low value-added products or concentration in few destination markets
- Recent FDI flows: Two stages 2000/2003 and 2004 to today
- A recent trend; The appearance of Latam TNCs
- Market participation of TNCs in Latam
- The exposition of Latam to competition from China and India
- Update 2007. Country per country Analysis

Session 12: Final test