Introduction to Global Culture and Society
Fall 2015
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General Description

This course provides students with a basic introduction to the concepts and methodologies used in such fields as sociology, historical studies and philosophy. We will examine the origins and developments of sociology and modern historical studies dealing with social issues while stressing the importance of using a global perspective on these topics. The historical development of Western conceptions of nature, society and culture will be explored and philosophical attempts to deal with social change will be discussed. We will further study the roles that economy, politics, gender, family, ethnicity, religion, and education play within modern society and seek to understand how they inform social and cultural conflict. Other topics to be covered include socialization, social structure and interaction, social groups and organizations, deviance and social control, social-global stratification, and social change.

Goals and Objectives

1. This course will help develop a deeper understanding and knowledge of the basic issues, concepts and methods found in the social sciences.
2. This course will provide students with an introduction to the social sciences important for their more specialized study in the fields of sociology, history and philosophy as well as provide important background for furthering their study of related fields in politics, international relations, and economics.
3. Students will develop a better understanding of their own and other's cultures and traditions. Students will learn to respect other cultures and traditions.
4. Students will begin to think critically about social and cultural problems from a more globally informed perspective.

The course is divided into three main parts and students can expect to learn more about the specific areas in each part listed below:

Part I: Foundations

1. The nature of social science, its main methods and its relationship to society.
2. The scientific and biological origins of human beings with special attention to Darwin's theory of evolution. An examination of the social conflict between evolution and religion.
3. An overview of the historical origins of Western society, from early civilization to modern nation-states.

Part II: Culture

4. The nature of culture and its place within society. The importance of cultural and social change and its connection to social problems and conflict.
5. The nature of philosophy and its connections to both culture and society.
6. The importance of sociology and its role in understanding culture and society.
7. An examination of the social influences on individual psychology. Discussion concerning the development of personality and the nature of deviance.

Part III: Institutions and Society

7. The nature and role of the family within society.

8. The nature of religion, its many varieties and social function and purpose.
9. The nature and role of education within society. A comparison of different systems of education with regard to their respective strengths and weaknesses.
10. Types of social and economic stratification, social mobility and social-economic inequality.
11. The question of race and ethnicity and its relationship to social stratification, minorities and types of discrimination.

Evaluation/Assessment

Class Participation 10%
This includes regular attendence, contributing to discussion and small assignments.
Student Presentations 20%
Students will give one group presentation near the end of term. One class session will be reserved for preparing this presentation.
Groupwork 10%
Students will enage in weekly group discussion of their answers to study questions. Some weeks you will be required to upload your answers to these questions on the portal. There will also be the opportunity to develop your answers to these questions in the form of a short 5 paragraph essay.
Quizzes 10%
There will be at least 7 reading quizzes given at the start of class. To get a full 10% you must correctly answer 5 of these quizzes.
Midterm Exam 20%
Students will write a midterm exam during week 8. The midterm exam covers material discussed in the first 7 weeks of class.
Final Exam 30%
Students will write a final exam during the exam period. The final exam covers material discussed in the last 5 weeks of class.

Text
Social Science: An Introduction to the Study of Society, 15th Edition (2014).
Elgin F. Hunt and David C. Colander, Pearson.
Please note: the book is out of print. All readings from this text and additional readings will be made available on the portal.

Course Schedule

Part I Foundations

Class 1: Introduction
For next class: read *Social Science*, pgs 1-12, complete study questions.

Class 2: Social Science and its Methods, part 1
For next class: read *Social Science*, pgs 12-25.

Class 3: Social Science and its Methods, part 2, and the Historical Roots of Social Science
For next class: read *Social Science*, pgs 26-34, complete study questions.

Class 4: Human Origins, part 1
For next class: read *Social Science*, pgs 35-44.

Class 5: Human Origins, part 2
For next class: read *Social Science*, pgs 45-55, and complete study questions.

Class 6: Origins of Western Society, part 1
For next class: read *Social Science*, pgs 56-64.

Class 7: Origins of Western Society, part 2
For next class: read Mills, C. Wright. 1959. "Chapter 1: The Promise", in *The Sociological Imagination*, and complete study questions.

Class 8: Sociological Fundamentals, Part 1
For next class: read *Social Science*, pgs 65-75, and complete study questions.

Part II Culture

Class 9: Society, Culture, and Cultural Change, part 1
For next class: read *Social Science*, pgs 76-84.

Class 10: Society, Culture, and Cultural Change, part 2
For next class: read Chapter 1 Changing Conceptions of Philosophy from *Reconstruction in Philosophy*, John Dewey, 1920, and complete study questions.

Class 11: Philosophy and Culture, part 1
For next class: read Chapter 5 Changing Conceptions of the Ideal and the Real from *Reconstruction in Philosophy*, John Dewey, 1920.

Class 12: Philosophy and Culture, part 2
For next class: read Berger, Peter. 1963. "Chapter 1: Sociology as an Individual Pastime", in *Invitation to Sociology: A Humanistic Perspective*, and complete study questions.

Class 13: Sociological Fundamentals, Part 2
For next class: read *Social Science*, pgs 119-128; 135-141, and complete study questions.

Class 14: Psychology, Society and Culture
For next class: Preparation for Midterm

Class 15: Midterm Exam
For next class: read *Social Science*, pgs 142-152, and complete study questions.

Part III Institutions and Society

Class 16: The Family, Part 1
For next class: read *Social Science*, pgs 153-162.

Class 17 The Family, Part 2
For next class: read *Social Science*, pgs 163-171, and complete study questions.

Class 18: Religion, Part 1
For next class: read *Social Science*, pgs 172-181.

Class 19: Religion, Part 2
For next class: read *Social Science*, pgs 182-191, and complete study questions.

Class 20: Education, part 1

For next class: read *Social Science*, pgs 192-201.

Class 21: Education, part 2
For next class: Prepare for presentation

Class 22: Presentation Organization and Preparation
For next class: read *Social Science*, pgs 202-210, and complete study questions.

Class 23: Social and Economic Stratification, Part 1
For next class: read *Social Science*, pgs 211-219.

Class 24: Social and Economic Stratification, Part 2
For next class: read *Social Science*, pgs 220-234, and complete study questions.

Class 25: Stratification, Minorities, and Discrimination, Part 1
For next class: read *Social Science*, pgs 234-250.

Class 26: Stratification, Minorities, and Discrimination, Part 2
For next class: Prepare for student presentations

Class 27: Student presentations

Class 28: Student presentations

Class 29: Student presentations

Class 30: Student presentations

Groupwork questions, Chapter One

Class 1

1. What is scientific knowledge? How does it differ from knowledge acquired "unconsciously"?

2. What are the three major fields of human knowledge? What distinguishes them?

3. What is social science and why is it important?

4. What are some of the main features of scientific inquiry? What basic assumptions underlie its use?

5. What is the scientific attitude? Why is it important?

Class 2

1. What is experimental method?

2. Why is it often difficult to study social problems through the use of experimental method?

3. Describe some of the methods used in the social sciences.

Chapter Two

1. What is Darwin's theory of evolution?

2. What is natural selection?

3. How does the mutation of genes influence evolution?

4. What is Genetic Engineering and what are some of its ethical implications?

5. What is Punctuated Equilibrium?

6. Describe some of the key steps in Human evolution.

Chapter Three

1. Why was the development of farming important for human civilization?

2. What are some of the benefits of the development of cities?

3. What was the basic social structure of ancient society?

4. How has Roman civilization influenced modern society?

5. What is the Feudal system?

6. Describe some of the key features of the Renaissance.

7. What is the Industrial Revolution?

Dewey, Reconstruction in Philosophy

1. Dewey sees philosophy as attempting to deal with conflicts between traditional beliefs and new forms of knowledge. Give a contemporary example of such a conflict.

2. What is the ‘classical’ view of philosophy?

3. What is the main difference between the classical view of philosophy and Dewey’s alternative view?

4. What are the key differences between the spectator view of knowledge and the modern experimental view of knowing?

5. How does the modern view of knowing change our understanding of the relationship between ideals and reality?

6. Describe a recent example that illustrates a conflict between our ideals and the world we live in.

Groupwork Questions, Chapter 4

1. What is culture and cultural evolution?

2. What are some examples of conventions, mores and laws found in Japanese society?

3. What are social values? Give examples.

4. What is the relationship between culture and society?

Groupwork Questions, Chapter 7

1. Does culture control people or do people control culture?

2. What are some of the factors in childhood that influence an individual’s personality?

3. Give an example of someone who has made a significant contribution to culture and explain that person’s contribution.

Groupwork Questions, Chapter 8

l. Why is the family often seen as the most important of social units?

2. State some important considerations in choosing a spouse.

3. Monogamy is the most widespread form of marriage. Give some reasons for this.

4. What changes have the economic functions of the family undergone? Why are such changes important?

Groupwork Questions, Chapter 9

l. Why has religion had such a strong appeal for people?

2. What is the importance of ‘Civil Religion’?

3. What are some of the similarities and differences between Hinduism and Buddhism?

4. Overall, do you think that religion has been a divisive or unifying feature in modern society?

5. What are some of the similarities and differences between Islam, Judaism and Christianity?

Groupwork Questions, Chapter 10

1. What is the difference between socialization and education?

2. How does free public education help support democracy?

3. What is a Unitary School system? What are its respective advantages and disadvantages?

4. What are some similarities and differences between the US and Japanese education system?

Groupwork Questions, Chapter 11

1. What are the three main types of social stratification?

2. What role does the family play in determining someone's social role?

3. Are social classes fixed parts of society?

4. Does a less rigid system of social stratification cause social conflict or social harmony?

Introduction to Global Culture and Society

Study questions, *Social Science: An Introduction to the Study of Society*, Chapter One:

1. What is social science and why is it important?

2. What are the nine steps that make up scientific method?

3. Distinguish the historical method, case method and comparative method in the social sciences.

4. Why should a good scientist be always open to new ways of looking at issues?

5. What are the advantages of an interdisciplinary approach to the study of many social problems?

Study questions, *Social Science: An Introduction to the Study of Society*, Chapter Two:

1. What is Darwin's theory of evolution?

2. What is mutation? Explain its role in the theory of evolution.

3. What is the relationship between DNA, genes and genetic engineering?

4. What is the difference between punctuated equilibrium theory and the theory of continuous equilibrium?

5. Briefly describe the main stages of the evolution of human beings.

Study questions, *Social Science: An Introduction to the Study of Society*, Chapter Three:

1. How did the domestication of animals and control of land help create modern society?

2. What are the main Greek and Roman contributions to modern civilization?

3. What are the three main periods of the Middle Ages?

4. Why was the Renaissance important for modern civilization?

5. What are the key episodes in the ‘Age of Revolution’?

Study Questions, Chapter 4, Society, Culture, and Cultural Change

1. Why is culture needed to hold society together?

2. What are some important elements of culture?

3. What are the three popular theories of cultural change discussed in the chapter?

4. What are some of the factors that cause culture to both change and remain stable?

5. What is the cultural lag theory?

Study Questions, Chapter 8, The Family

1. Describe some of the variation found in family patterns.

2. What are the basic functions of family life?

3. Explain how variations in family patterns help to serve the basic functions you have listed.

4. What are some of the current challenges faced by traditional conceptions of family life?

Study Questions, Chapter 9, Religion

1. Why has religion existed in all known societies?

2. Describe the five major religions by briefly summarizing their core beliefs.

3. What kind of problems does fundamentalist religion pose for the state?

4. What are the main social roles played by religion?

Study Questions, Chapter 10, Education

1. How does education serve as an agent of social control?

2. Describe some of the key historical episodes in the development of U.S. education.

3. What are some of the main problems facing the US school system?

4. How do the methods of funding education contribute to unequal education?

Study Questions, Chapter 11, Social and Economic Stratification

1. Describe the three main types of social stratification.

2. How does social mobility make some social stratification acceptable?

3. What are three sources of income inequality?

4. What are some of the issues that any social program dealing with the problems of economic inequality must address?

Study Questions, Chapter 12, Stratification, Minorities, and Discrimination

1. What are some reasons for ethnic and racial prejudice?

2. What is the difference between a minority and dominant group?

3. Explain the problem of illegal Mexican immigration.

4. Discuss some of the problems of religious minorities.

5. Provide some reasons both for and against age discrimination.

Pop Quizzes

Quiz #1:

The Hundred Years' War from 1337 to 1453 was fought between:

A) Spain and Italy.
B) Germany and Denmark.
C) England and France.
D) Poland and Russia.

Quiz #2

Conventions are:

A) everyday customs or usual ways of behaving.
B) complex group behaviors which do not change.
C) never followed by individuals.
D) legal norms enforced by courts.

Quiz #3

In the Western world the most common method of reckoning descent is called:

A. unilateral.
B. polyandry.
C. pluralism.
D. bilateral.

Quiz #4

Rousseau referred to religious beliefs that lead people to want to live according to the laws of the land as:

A. public religion.
B. legal religion.
C. state religion.
D. civil religion.

Quiz #5

Historically, in the U.S. education is paid for largely by:

A. foreign trade taxes.
B. property taxes.
C. special student taxes.
D. private donations.

Quiz #6

When firmly established, social stratification contributes to social:

A. confusion.
B. instability.
C. ambiguity.
D. stability.

Quiz #7

Social scientists argue that race is:

A. fully determined by physical characteristics.
B. clearly apparent by biological testing.
C. a social term, not an important biological characteristic.
D. a predictor of greater capacity for development.

Study Questions (Chapter 2)
How are humans unique?
Should scientific creationism be taught in schools?
How can a social scientist understand the continuing debate/s on evolution (scientific vs. religious)?
Is biology the only thing that matters in explaining difference among individuals?

Discussion Questions (Chapter 3)
How was the domestication of plants and animals important in changing human societies?
Why were Egypt and Mesopotamia important in the development of early civilization? Why were these regions called the cradle of civilization?
Describe and discuss the major social, political, and economic developments in the Middle Ages

Further Questions (Chapter 3)

The Arab world and Muslim culture has had an influence in the developments in society. Fifty years from now, how do you see this influence in world society?
What is the most important problem facing the West (and the East) today?

For Discussion (Chapter 4)
Look back at your study abroad experience. What were the things that surprised, shocked you when you first arrived? What were the realizations you had towards the end of your study abroad term?

Discussion (Chapter 4)
How does the concept of cultural relativism relate to ethnocentrism?

Applying the Sociological Imagination (Mills reading)
How could each of these situations be both a personal trouble (micro) and a structural issue (macro)?
Illness
Unemployment
Poverty

Discussion Questions (Mills and Berger readings)
How can you apply the things learned from the Mills and Berger readings to your understanding of social issues?
Mills and Berger wrote their essays in the 20thcentury. Do their arguments still speak to us in the 21stcentury?

Discussion/Debate (Chapter 7)
What is the greater determinant of human behavior: nature or nurture?

Discussion Questions (Chapter 8)
Discuss the current changes in the family structure/s of your society/ies. Are these changes positive of negative?
What is the role of the family (as a social institution) in contemporary society?

Discussion Questions (Chapter 9)
Discuss the advantages and disadvantages of religion as an institution. What functions does it serve? What harm can religion bring?

Discussion Questions (Chapter 10)
What education-related problems is your country experiencing at present?
Is education in your country equal?

Discussion Question (Chapter 11)
How is globalization related to social mobility?

Discussion Question (Chapter 12)
What are the causes of racial and ethnic prejudice and discrimination in society?

Gender Stratification (Chapter 12)
Are men and women equal in society?
How do men become men, and women become women in society?

Quiz on Culture (23 October).
Write only the letter of your answer on your paper.
Different cultures change or evolve:
A) in the same way everywhere.
B) according to a universally similar pattern.

C) along quite different paths.
D) the same number of times every decade.

Quiz on Chapter 7 (6 November)
Write only the answer on your paper.
True or False:
Two individuals can have exactly the same social environment and therefore be exactly identical in behavior

Quiz on Chapter 9 (27 November)
Write only the answer on your paper.
True or False:
Today, religion exerts almost no influence on society.

Quiz on Chapter 10 (4 December)
Write only the answer on your paper.
True or False:
A high dropout rate is a problem for the individual and the entire community.

Quiz (15 December)
Write only the letter of your answer on your paper.
A group of people who identify with each other on the basis of common ancestry and cultural heritage is a(n):
A) census group
B) urban network
C) migrant unit
D) ethnic group

Introduction to Global Culture and Society
Group Presentations

Presentation Dates: January 12, 15, and 19.

Presentation Preparation and Organization class session: December 5, 2nd period (10:45-12:15).
Final Preparation class session: December 22 (after the course wrap-up)

- Students can consult with me on these daters

There will be 6 groups of 6 students. Students are to give a full and detailed presentation that includes powerpoint slides and handouts. Each student in the group is expected to participate so that workload and the presentation are distributed evenly. Each group will give a 40 minute presentation (30 minutes for presentation with 5-10 minutes for discussion).

Topics: Institutions and Society

Each group needs to choose one of the social institutions or social issues that are taken up in the course:

1) Social Institutions
    a. Family
    b. Education
    c. Religion
2) Social Issues
    a. Social and Economic Stratification
    b. Stratification, Minorities, and Discrimination

In class, we will be examing the nature of these institutions including their main social functions and how they may cause social problems. Accordingly, some of these points will be discussed in your respective presentations. There is also some overlap between institutions that you may want to discuss. For example, you might focus on problems faced by religious minorities, or discuss how economic stratification impacts family life.

The presentations should then examine the relevant details of the chosen institution or social issue in one of two possible ways:

1) Social Institution
    a. Present examples of the institution within a specific society (with special emphasis on examples from non – Western countries)
    b. Compare and contrast the way such institutions are organized within two societies
2) Social Issues
    a. Present examples of social and economic stratification and their underlying issues in a particular society
    b. Compare and constrast various issues related to stratification, minorities, and discrimination in two societies

Introduction to Global Culture and Society, Group Presentations

Presentation Dates: January 12th, 15th and 19th. Presentation Preparation and Organization class session: December 4th. (On this day presentation groups and topics will be finalized)

Each group will consist of 5 students. Students are to give a full and detailed presentation that includes powerpoint slides and handouts. Each student in the group is expected to participate so that workload and the presentation are distributed evenly. Each group will give a 30 minute presentation (25 minutes for presentation with 5 minutes for discussion).

Topics – Institutions and Society

Your group needs to choose one of the social institutions that we are now studying:

Family; Education; Religion; Social and Economic Stratification; Stratification, Minorities and Discrimination

In class, we will be examing the nature of these institutions including their main social functions and how they may cause social problems. Accordingly, some of these points will be discussed in your respective presentations. There is also some overlap between institutions that you may want to discuss. For example, you might focus on problems faced by religious minorities, or discuss how economic stratification impacts family life.

Your presentation should then examine the relevant details of your chosen institution in one of two possible ways: 1. Present examples of the institution within a specific society (with special emphasis on examples from non – Western countries); 2. Compare and contrast the way such institutions are organized within two societies.

Introduction to Global Culture and Society, 2015-2016

Group Presentations

Title:	
Organization (10 points) - Content - Delivery - Presentation	Score: Comments:
Analysis (10 points) - Application of concepts, theories learned - Analyses and arguments	Score: Comments:

Introduction to Global Culture and Society

Midterm Exam, November 10th, 2015.

Section One: Multiple Choice (CIRCLE your answer) (7 Points)

1. Which of the following is NOT one of the nine steps of scientific research outlined in your text:
A) defining the problem before drawing conclusion.
B) reviewing the literature.
C) determining a time frame.
D) analyzing the results.

2. The process of random genetic changes that create new characteristics is called:
A) natural selection.
B) mutation.
C) competition.
D) migration.

3. In general, life in Europe after the Fall of Rome came to be centered around an agricultural manor called a:
A) urban metropolis.
B) factory towns.
C) coastal city.
D) feudal estate.

4. The degree to which a culture is internally consistent and homogeneous is called:
A) cultural integration.
B) cultural alteration.
C) cultural development crisis.
D) cultural transition.

5. Recent discussions of the nature/nurture debate have tended to emphasize the:
A) enormous importance of nurture and the environment.
B) complex interaction between the two.
C) inheritability of most intellectual behaviors.
D) importance of socialization reversals.

6. Scientific inquiry is possible in a society in which certain attitudes are developed and tolerated. These attitudes include curiosity, objectivity, and:
A) aggression.
B) accessibility.
C) skepticism.
D) complacency.

7. Ethnocentrism is:
A) the tendency to judge other cultures by a person's own culture.
B) universally avoided.
C) forbidden everywhere.
D) always beneficial to all humans.

Section Two: True/False Questions (Write TRUE or FALSE) (8 points)

8. Science offers final explanations of the universe and its phenomena.

____

9. The earliest known species of human is *Homo habilis*.

____

10. One of the important changes that took part during the Industrial Revolution was a migration into cities.

____

11. Mores are regulations established in a community by some authority and enforced by judicial decision.

____

12. Conventions are complex group behaviors which do not change.

____

13. Aristotle argued that the polis was a natural outgrowth of the human nature.

____

14. Socialization is the process that shapes the personality of individuals so they can become members of society.

____

15. Darwin saw evolution as a rapid process with sudden abrupt changes.

____

Section Three: Short Answer (Write 3 to 4 sentences) 15 points

16. What is the "sociological imagination"? What is C. Wright Mills trying to say about the nature of the sociological discipline with this concept?

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____

17. What is the “Spectator Conception of Knowledge”?

18. What is genetic engineering? What ethical and social issues does genetic engineering present?

19. How was the domestication of plants and animals important in changing human societies?

20. What factors contribute to the stability of culture? How do these factors help to give continuity to ways of living?

Section Four: Short Essay (Write 3 full paragraphs) 20 points

21. Social problems often emerge from cultural changes. In such cases, old habits, values and institutions come into conflict with new attitudes, circumstances or forms of technology. Provide a detailed discussion of a current social problem that exhibits these characteristics.

Introduction to Global Culture and Society

Final Exam, January 22nd, 2016.

Section One: Multiple Choice (CIRCLE your answer) (7 Points)

1. The number of mates, selection of mates, family control, and reckoning of descent determine:
A) variations in family patterns.
B) a single family type for all cultures.
C) the two types of family found in all nations.
D) very little about families but much about geography.

2. Judaism was the first great religion to:
A) develop a belief in many gods.
B) not have a belief in any creator god.
C) develop a clear concept of a single all-powerful God.
D) be based on spirits found in nature.

3. The dual thrust of U.S. education includes the development of both individuality and student:
A) graduation.
B) socialization.
C) processing.
D) validating.

4. People in a community who are somewhat similar in their economic status, attitudes and beliefs, educational attainments, and way of life are often called a:
A) neighborhood.
B) social class.
C) hierarchy.
D) peer group.

5. Groups of people singled out for unequal negative treatment and objects of discrimination are:
A) superior groups.
B) dominant groups.
C) majority groups.
D) minority groups.

6. Flexible working hours, infant care, and family leave for both partners help the family to:
A) continue unchanged.
B) gradually disappear.
C) cease to exist.
D) stay together.

7. The holy scripture of the Muslims is:
A) the Bible.
B) the Pentateuch.
C) the Qur’an.
D) All books are equally revered by Muslims.

Section Two: True/False Questions (Write TRUE or FALSE) (8 points)

8. The rules governing the choice of mates are the same in all societies.

____

9. The three major monotheistic religions are Judaism, Christianity, and Buddhism.

____

10. The US college curriculum has evolved from an elective system to a rigid system.

____

11. There is no correlation between the amount of schooling received by children and the income status of their families.

____

12. Most modern industrial societies do not have formal stratification systems.

____

13. Actions, behavior or treatment based on prejudice are forms of discrimination.

____

14. Discussions of social mobility often overlook the simple fact that room at the top is always limited.

____

15. Importation of slaves into the U.S. became illegal in 1808.

____

Section Three: Short Answer (Write 3-4 sentences) 15 points

16. Will the family, as a social unit, continue to play a significant role in the future?

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____

____

17. How is education tied to democracy and democratic ideals?

18. Is religion connected to gender stratification?

19. What does the intersection of race, ethnicity, class, and gender tell us about the incidence of poverty?

20. What are some of the functions served by religious institutions?

Section Four: Short Essay (Write 3 full paragraphs) 20 points

21. Social institutions (family, education, religion) are seen to be interdependent, although at times, they conflict with each other. Using your own society or country as an illustration, describe how the complex relations between these institutions serve to promote the social inequalities found in contemporary society?

Essay questions for the first essay:

Please choose **one** of the following questions. The essay should be around 500 words and is due in session 12. This essay will count 30% towards your final grade

Questions

1. How does Realist Theory explain cooperation among states in the international system? Discuss with reference to empirical examples.

2. How do liberal theories explain international conflict? Discuss with reference to empirical examples

3. Cultural norms a driving factor in International Relations. Discuss with reference to empirical examples.

4. Which theory can best describe the present role of the United Nations?

5. The stability of the international system is highest when there is a hegemonic power to keep order. Discuss with reference to empirical examples.

6. The success of a democratic system depends on its successful economic development. Discuss with reference to empirical examples.

7. Institutions are the decisive factors for the longterm success or failure of democracies. Discuss with reference to empirical examples.

Essay questions for the second essay:

Please choose one of the following questions. The essay should be around 1000 words and is due in session 26. This essay will count 30% towards your final grade

Questions

1) Is the world developing towards a world society or persist in a state of sovereign countries? Discuss with reference to empirical examples
2) "In a system of balanced states, the domination of one or some of them is prevented by the reaction of the others acting as counterweight" (Kenneth N. Waltz (1999) "Globalization and Governance" p. 699). Discuss this statement in respect of the development of a Globalized Economy
3) Free-trade is the fastest way for underdeveloped countries to develop. Discuss with reference to at least two empirical examples.
4) Who will be the loosers and winners of International Environmental Agreements on Co_2 emissions. Discuss with reference to the theoretical literature on collective action problems.

Outline of the Reading
World Politics:
Interests, Institutions and Interactions
(by Frieden et al)

Introduction:

1. What is World Politics and Why do we study it?
    - The field of world politics -also called international relations- seeks to understand how the peoples and countries of the world get along
    - Why study it? Wars have claimed millions of lives, but we have seen many cases of successful cooperation as well.
    - We study politics because the bad things that happened distress us and because the good things give us hope that, through understanding and effort, the world could be a better place
2. Twelve Puzzles in search of Explanations
    - Why do countries fight?
    - Why is it so hard to cooperate?
    - Why are trade barriers so common?
    - Why is international finance so controversial?
    - Etc.
    - after setting out these puzzles we can build theories to make sense of them
3. The Framework: Interest, Interactions, and Institutions
    - no single theory is able to answer all puzzles
    - We need a framework how to think about international conflict
    - domestic and international interactions need to be addressed
4. Integrating insights from realism, liberalism and constructivism
    - Realism: State is the dominant actor, bargaining between states
    - Liberalism: Many actors, dynamic system
    - Constructivism: Many actors, culture, identity and ideas matter
5. Plan of the Book
    - Book has 5 parts: 1.) introduce broad patters, 2.) deal with central patterns, 3.) Discuss main puzzles, 4.) consider new issues 5.) conclude

TABLE A Realism, Liberalism, and Constructivism

	Interests	Interactions	Institutions
Realism	The state is the dominant actor, States seek security and/or power. States` interests are generally in conflict.	International politics is primarily about bargaining, in which coercion always remains a possibility.	The international system is anarchic, and institutions exert little independent effect. International institutions reflect the interests of powerful states.
Liberalism	Many types of actors are important, no single interest dominates. Wealth is a common goal for many actors. Actors often have common interests, which can serve as the basis for cooperation	International politics has an extensive scope for cooperation. Conflict is not inevitable but occurs when actors fail to recognize or act upon common interests.	Internationa institutions facilitate cooperation by setting out rules, providing information, and creating procedures for collective decision-making. Democratic political institutions increase the scope for international politics to reflect the common interests of individuals
Constructivism	Many types of actors are important. Actors` interests are influenced by culture, identity, and prevailing ideas.  Actors` choices often reflect norms of appropriate behavior, rather than interests.	Interactions socialize actors to hold particular interests, but transformation can occur, caused by alternative understanding of those interests.	International institutions define identities and shape action through norms of just and appropriate behavior.

2.5: FTA
~EU & South Korea~

Reo Kumagai
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Q1: Is the WTO becoming less important, and are regional and bilateral agreements the wave of the future?

Q2: Despite of free trade, political realities ensure that trade barriers still exist. How does the EU-Korea FTA address the realities of international trade?

Q3: How does the EU-Korea FTA address sensitive competition policy issues such as antidumiping, antitrust, and cartels?

EU-Korea FTA (1)

2010-2012:

GDP of Korea declined 4 percent

2011: EU-Korea FTA become activated

GDP gradually increased

EU-Korea FTA (2)

In EU exports,

- Exports to Korea greatly increased

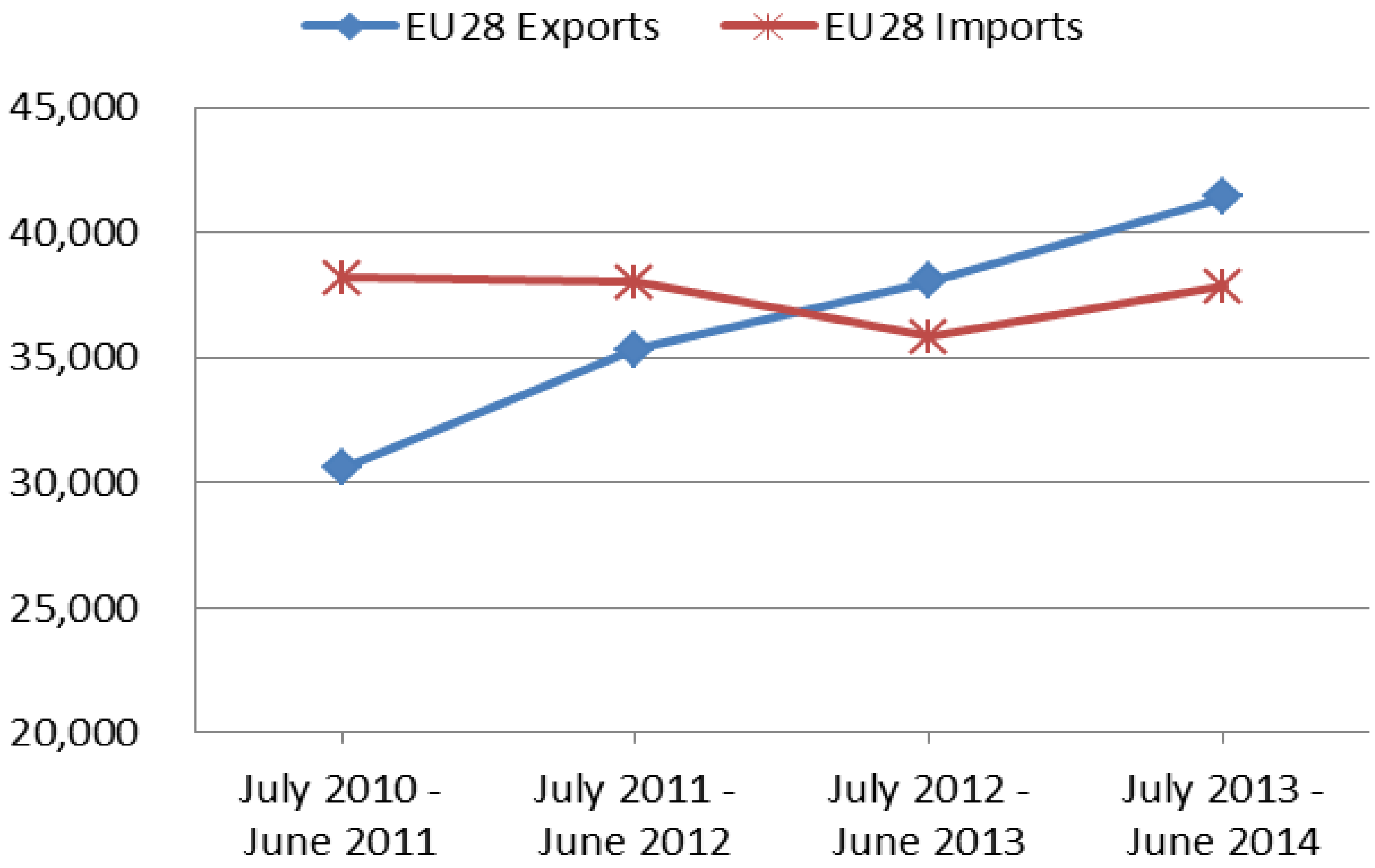
  (machinery, hardware, automobiles, airplane)

- 8% tariff on components from EU ⇒ down or "0"

EU-Korea FTA ()

After the FTA

- EU exports to Korea **35%** ↑



Source: COMEXT

EU-Korea FTA ()

After the FTA

- EU exports to Korea **35%** ↑

- Trade deficit (7.6 billion EUR）

  ⇒Trade surplus (3.6 billion EUR)

Advantage of a FTA

In world trade

- Developing countries' share

  15% in 1990 ⇒ **31%** in 2008

- FTA ⇒ negotiations between **developing** and **developed** countries

How does the FTA address trade barriers?

Tariff barriers

Tariffs on imports are removed in both EU and Korea

Industrial products

Food products

are in the process of tariff elimination

How does the FTA address trade barriers?

Non-tariff barriers

Technical barriers

International standards

Intellectual property rights

Procedures and penalties for criminals

Government procurement

Contracts for more business opportunities

How does the EU-Korea FTA address sensitive competition policy issues such as antidumping, antitrust, and cartels?

- **Antidumping policies --- policies to prevent dumping.**

  Usually impose taxes to prevent dumping.

- **Cartels --- combination of companies formed to regulate the price, the amount of production.**

- **Antitrust laws --- also known as competition laws.**

Antitrust laws are statutes which prohibit cartels in order to foster the market competition.

Antidumping policies in EU-Korea FTA

- Both countries have right to use antidumping remedy and duty

- Only in case of real injury to one of the partners

Antitrust laws in EU-Korea FTA

- EU and Korea agreed to implement antitrust laws, and prohibits actions by firms which reduce competition.

Conclusion

- **EU-Korea FTA**
- **Accepted much of WTO commitments**
- **Transparency to make the competitive market.**
- **Antidumping policies, antitrust laws are accepted in case of real injury of domestic industry.**

Conclusion

Question:

How can global economy be integrated?

REFERENCE

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Group No. 7 (Reo Kumagai, Kenji Enrique Higuchi, Kazumasa Sato, Naruaki Watanabe)
January 16, 2016
Prof. Aytun Ozturk
Introduction to Global Business and Economics

Report for The case 2.5 about The EU-Korea Free Trade Agreement

I. Introduction

The FTA between European Union and South Korea, called the EU-Korea FTA, have become effective since July, 2011. Bilateral and regional trade agreements have increased dramatically because Doha Round had not achieved much of what it had promised. The EU-Korea FTA is just one out of many agreements, but it is significant in terms of size of the economy of both countries, the content of agreement which covers much of the existing WTO commitments, adding some modification, and its trade transparency.

The EU-Korea FTA accepts much of the existing WTO commitments, antidumping and anti-subsidy remedies for instance. While the FTA concedes to use these remedies, they are restricted that it can be used in the situation of real injury to one of the partners. In addition, the amount of the antidumping and anti-subsidy duties are restricted to impose only adequate for remedy the injury. The EU-Korea FTA allows to use safeguard action only when imports threaten serious material injury to a domestic industry.

EU and Korea modified the FTA commitments to facilitate the free trade between the countries. Almost all of the custom duties are removed in manufactured goods, and liberalization of trade are achieved. In addition, the EU-Korea FTA addresses intellectual property which enlarges TRIPS as a minimal agreement in terms of copyrights, industrial designs, and geographical indications. More importantly, technical barriers are avoided, especially for protectionist reasons to facilitate more trade. Competition is regarded as important in the EU-Korea FTA, and it prohibits actions and subsidies to reduce competition.

Most significantly, transparency is notable in this EU-Korea FTA. In order to create competitive trades and market, transparency is indispensable in the matter of dispute settlement. As has been described, the FTA addresses to avoid remedies and remove technical barriers. Both of them are achieved because EU and Korea make them transparent to avert conflicts. Even though some conflicts occur, it is decided how to solve the problem and transparency makes much easier to resolve the conflicts.

In this report, background information such as FTA, WTO, and EU and Korea as main stakeholders regarding to the EU-Korea FTA is described in the next section, and analyses of the five questions are mentioned.

II. Background

General explanation of FTA

FTA stands for Free Trade Agreement, which means an agreement between countries to reduce or eliminate trade barriers (SPRING Singapore, n.d.). The number of FTAs has been increasing since the early 1990s, and 612 FTAs are officially recognized now. FTAs can be separated into two types: bilateral FTAs and regional FTAs (World Trade Organization, n.d.).

Bilateral FTA

Bilateral FTAs are FTAs between two countries. Thailand and Australia free trade agreement (TAFTA) is one the example of bilateral FTAs. This free trade alleviates tariff on imported goods from both countries. Therefore, it has enabled both countries to set up their businesses in each country (Australian Government, n.d.).

Regional FTA

Regional FTAs are FTAs among multiple countries in a certain region. Association of South East Asian (ASEAN) is one of the growing regional free trade agreement. It promotes integration of economies in South East Asia in order to compete with other countries in global market. As a result, it also attempts to remove tariffs among the membership. It has been a dominant trade partner with Japan, China, and India. In Japan, most shrimps are imported from ASEAN (Association of Southeast Asian Nations, n.d.).

B. WTO

After the Uruguay Round negotiation, the negotiations held by the member countries of General Agreement on Tariffs and Trade (GATT), they decided to found a new international institution, and World Trade Organization (WTO) was established in 1995. This is primarily because the trading situation became complex as a number of countries begun to participate in the worldwide trade. Therefore, it was necessary to set up an institution capable of making more specific trade rules and monitoring member countries that would ratify new WTO agreements. The primary purpose of WTO is to make transparent trade rules to help worldwide trade flow as freely as possible, which is the crucial factor in economic development on the worldwide scale. Specifically the activities are: negotiating to reduce or eliminate trade barriers, setting up international rules such as antidumping, settling disputes when problems related to the WTO agreements happen among member countries, and helping developing countries by increasing trading opportunities. However, as George, S., a political economist, mentioned, WTO is faced with mainly the following two problems: 1) "Consensus system", which all member countries need to agree on any decision-makings, results in the fact that it takes long time to decide one agreement, and 2) although free trades have been promoted by WTO in various fields, the WTO agreements are relatively profitable for developed countries.

C. Economic Changes of European Union

a) Changes in terms of the amount of trade, economic situation in EU

After EU-Korea FTA coming into effect, it is reported that the amount of export from EU to Korea has increased. Japan External Trade Organization (JETRO) reported that soon after the agreement becoming effective, July to December in 2011, the rise of export volume from EU to Korea was 15.2% on the same period last year. Of all the items negotiated in the agreement, the fields of machinery, electronic hardware, and automobiles showed increases in exports, and especially the export related to airplane to Korea was greatly increased as well. This is because Korea Air Lines, a chief airline in Korea, introduced Airbus A380. Though the Korean government usually imposes around 8% tariff on components imported from overseas, the agreement stipulates that these tariffs on imports from EU are driven down or abolished. For example, in automobile components the tariff of which was immediately abolished, EU corporations saved 30 million euro ($41 million) during the months of July to December in 2011.

b) Advantageous aspects

Leading EU corporations have already expanded their business to South Korea after agreeing on the EU-Korea FTA. These corporations having factories in Korea have the advantages that they can save the tariff when importing components from EU countries. Added to that, those corporations have an indirect advantage that the number of orders for the EU products is increasing as the amount of automobile export from Korea to EU countries has increased in recent years. For these, European Commission (2015) concluded that the EU-Korea FTA has worked well, in particularly for EU, based on three years implementation of the FTA.

D. Economic Changes of South Korea

EU-Korea Free Trade Agreement (EKFTA) might contribute to recovery of GDP growth in Korea. In fact, rate of GDP growth of Korea slightly differs depending on resources, but they share rough information. World Bank (WB) reports that the rate kept declining from 6.5 percent in 2010 to 2.29 in 2012 percent by using a graph. However, the slope becomes gradual since 2011. Then, the rate of GDP starts slowly increasing since 2012. Elimination of tariff on imported products among EU-Korea supports the change. The FTA launched in 2011 and has attempted to alleviate the tariff. Amount of duties on EU was approximately 50 percent, and Korea had about 30 percent; those amount is scheduled to be almost zero by 2019 (Gucht, 2011). For instance, pharmaceutical products and medical services mainly represent the industrial products with arranged tariff. Even though the growth has not reached 6.5 percent of 2010, EU-Korea Free Trade Agreement plays a critical role in the GDP of Korea.

III. Analysis of the Questions

Question 1: Is the WTO becoming less important, and are regional and bilateral agreements the wave of the future? Consider in your answer whether the EU-Korea FTA improves upon certain WTO mechanisms for facilitating free trade?

As regional and bilateral trade agreements become a trend around the world, the significance of WTO seems to have diminished: primarily because the WTO negotiating round known as the “Doha development round,” which commenced in 2001, has stalled. One of the benefits of regional trade agreements (RTAs) is that it is relatively easier for countries to advance trade negotiations in a region than to make a negotiation with a number of countries such as in WTO. European Commission (2010) reported that the EU-Korea FTA would relieve EU exporters of industrial and agricultural goods from tariffs, and that they would get positive results in exports immediately. EU and Korea started negotiating trade rules in 2007 and the agreement came into effect in 2011. Reducing trade barriers for free trading system have been challenging for any countries, however, as the EU-Korea FTA shows, negotiations between two countries or within a region will proceed more successfully and get an immediate result in trading. Therefore, RTAs can be profitable for a certain countries or regions and the “wave of the future” in the short run.

Question 2: Why would an FTA such as EU-Korea permit protectionist measures such as antidumping and the safeguard action?

The EU-Korea FTA permit use of antidumping and anti-subsidy remedies in order to manage the risk of injury of domestic industries. Basically, free trade is beneficial for both countries, but EU and Korea have to protect their domestic industries which might be suffered from free trade to protect people working on the industries. Although protectionist measures are accepted in the FTA, they can be implemented only in case of real injury to the domestic industries of one of the counties.

Question 3: While trade theories generally support free trade, political realities ensure that trade barriers still exist. How does the EU-Korea FTA address the realities of international trade?

In this section, trade barriers between EU and Korea are classified into tariff barriers and non-tariff barriers to answer the question.

The EU-Korea FTA addresses tariff barriers well. For almost all tariffs on Korean imports from EU are supposed to be eliminated. Especially, tariffs on industrial products such as car will be removed within seven years. Also, agricultural products are the subject of tariff elimination. The complete elimination will be done by 20 years later for some fruits, by 15 years later for vegetables, meat, and beverages, and by 10 years later for dairy products and cereals. Most tariffs on EU imports from Korea are supposed to be eliminated as well. For example industrial products, some tires, leather, wood, and wool products will take up to five years, and car trucks, small planes, and some electronics such as monitors and projectors will take up to five years. Moreover, tariffs on food products will be removed. Tariffs on beef will be liberalized up to five years. For some seafood, tariffs will be removed after three years whereas other seafood will take five years. For some fruits and vegetables, they will take from three to five years as well.

Furthermore, the EU-Korea FTA deals with non-tariff barriers effectively. Firstly, the FTA addresses technical barriers. Korea requires the EU automobile companies to produce specific cars for Korean market before the implementation of the FTA. The rules made by the FTA include the elimination of such needs for Korean market. Moreover, the FTA decided to stop conducting costly tests for safety standards and introduce international standards such as United Nations Economic Commission for Europe and On-Board Diagnostics. Secondly, the FTA works on better protection on intellectual property rights. Under the agreement, rights of authors' works are protected 70 years after the authors' deaths. The FTA includes procedures and punishments for those who violate the rights. Thirdly, the FTA tries to control government procurement. Both EU and Korea have already agreed on the framework of the WTO to regulate government procurement. In addition, the FTA established supplemental contracts in EU and Korea. Under the contracts, when either government choose construction companies for infrastructure, for example, companies from both EU and Korea are equally treated in competitions. The contracts are expected to provide new business opportunities and fair competitions.

Therefore, the EU-Korea FTA has been removing trade barriers quite effectively. In terms of tariff barriers, majority of Korean imports are on the way to liberalization as well as EU imports. From the aspects of non-tariff barriers, the FTA deals with technical barriers, intellectual property rights, and government procurement.

Question 4: Some argue that regional or bilateral trade agreements are building blocks for global trade agreements. Others argue that such balkanization of world trade represents stumbling blocks to multilateral trade. Is the EU-Korea FTA a building block or a stumbling block?

EU-Korea FTA possibly weeds out the blocks for global trade agreement. According to the Congressional Research Services (2011), one of the primary purpose of establishing the FTA is not only to enrich economy of EU and Korea but also to reinforce economic connection with outside of their regions. As EU and Korea expand their own economic relationships with other countries, the ties would become an extended web functioning as WTO. The both of EU and Korea enter into trade partnership with the United States. When it comes to EU and the U.S., the EU-U.S. Partnership challenges to trade with under three percent of tariff (Delegation of the European Union to the United States,). Therefore, 90 percent of the U.S. states mainly exported farm or manufacture goods to EU in 2012. In the case of the U.S.-Korea FTA as well, agricultural and industrial products are the commodity with low tariff. In fact, the tariffs were planned to be completely removed by 2012 (Office of the United States Trade Representative, n, d.). Since the U.S. has become the most influential on world trade, the partnership with the U.S of EU and Korea will play a critical role in alleviating blocks of world trade.

Question 5: How does the EU-Korea FTA address sensitive competition policy issues such as antidumping, antitrust, and cartels?

Antidumping, cartels, and mergers reduce competition. EU-Korea FTA addresses those things to make competitive markets.

Both countries have right to use antidumping remedy and duty. However, they are limited only in case of real injury to one of the partners, the extent to which is adequate to remedy the injury. In addition, the FTA provides for increased transparency of dumping or subsidy cases and organize a working group to foster cooperation in the use of trade remedies.

Antitrust laws, known as competition laws, are statutes which prohibit cartels and mergers in order to foster the competitive market. The EU-Korea FTA prohibits actions by firms which reduce competition. EU and Korea agreed to implement antitrust laws.

IV. Conclusion (Summary)

It is still debatable to conclude whether WTO will expand the integration of global economy or regional trade agreements will be steps for integrating global economy. On present showing, WTO seems immobilized not only because the large number of member countries have joined but also because the WTO agreement cannot cover all detailed situations in trading all over the world. While negotiations among WTO member countries are reaching a standoff, the number of RTAs in the global trading has been greatly rising. This is because RTA negotiations can proceed with flexibility, which is not seen in multilateral negotiations. Although antidumping, for example, is one of the policies that governments need to deal with in trading negotiations, in EU-Korea FTA, both countries flexibly found the meeting point regarding the antidumping policy. Added to that, RTAs play key roles that reduce the economic gap between developing and developed countries. Developing countries can deal with domestic problems such as developments of legal systems concerning trades, and prepare for worldwide trading system through RTA negotiations. In terms of trading policies and economic disparities between countries, therefore, worldwide RTAs can be stepping-stones for the integration of global economy.

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ROLE: INTROVERT

Please do not share this note with your fellow teammates; this is for your eyes only.

As an introvert your job is to be the quiet one in the group. Do not give away your opinion unless you are asked. Do not try to speed the progress; however do not block it either. Be painfully shy.

ROLE: DOMINANT (EXTROVERT)

Please do not share this note with your fellow teammates; this is for your eyes only.

As the dominant member, your job is to be the center of attention in the discussion. Act like you know how to get a solution, what should be done and **think aloud**. Try to lead the discussion, **undermine what others have to say**, and insist on doing it your way. You may **react harshly** if you do not get your way and **block the progress** if you are simply ignored.

ROLE: LONER

Please do not share this note with your fellow teammates; this is for your eyes only.

Tell your team members right away that you prefer to work on your own. Do not join the discussion and when asked about your opinion, tell others that you are not sure and you want to think more about it. Scribble things down as though you’re solving things on your own.

ROLE: DIGRESSER

Please do not share this note with your fellow teammates; this is for your eyes only.

Your job is to try and slow the progress of the discussion. Start talking about the problem and then **digress** to something irrelevant and continue talking about that. Tell stories unrelated to the case. If you can't attract attention of the entire group, then try to carry on conversations one on one with a team member. You can talk about weather, something that happened at work, politics, sports – anything but the problem that is at hand.

ROLE: COMPASSIONATE LEADER

Please do not share this note with your fellow teammates; this is for your eyes only.

Your role here is to ensure that the team works efficiently. Try to keep discussion on track, kindly avoid digressions. Try to lead without dominating. Make sure everyone's voice is heard. You should

- focus team on task
- engage participation from all members
- protect individuals from personal attack
- suggest alternative procedures when the team is stalled
- summarize and clarify the team's decisions
- stay neutral
- express out loud what seems to be happening (e.g., "nobody seems to be saying much since Jenny suggested ... ")
- don't let snide comments, put downs, etc slide by without comment
- after a person has been quiet for awhile, ask them for their opinion
- encourage mental hitchhiking (building on other's ideas)
- for hard problems, it helps to summarize the problem, then let people think on their own and write down some answers, then get together and pool them
- after you get a bunch of ideas, ask each person to vote for two or three of them. Take all the ideas that get at least one vote, and start classifying them according to similarity. This will usually get you down to just a few basic types of ideas, which you can then, together, make decisions about.

ROLE: OBSERVER

Your role is to observe the process and not intervene in it. You are not allowed to talk to other members or answer questions or participate in any way. When you report your observations, you don’t have to provide us the names of the group members.

How did the design evolve? As the design evolved what worked and what didn’t?

Make notes observing the team try and come up with a solution. Do they feel frustrated, helpless, on track? Does everyone contribute equally?

Are there any members who are too quiet? Are the other team members bothered by withdrawal of the non-participating members? Take notes on how the team reacts.

Are there those who are louder than others? Take notes whether certain group members try to pull others into the discussion.

Is there someone trying to lead the process? What does he/she do to help the team achieve its objective? Was there one person leading or were there multiple individuals in charge?

Did the team work efficiently?

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Final Project (FD) – Pro. Aytun Ozturk
2016, January 15

Integrative Case 2.1 Canada and the United States Fight Over Pigs

1. Introduction

With the geographical closeness, Canada and the U.S. have kept a good relationship. Their bilateral trading relationship is the largest in the word, with almost $600. However, recently, they have a conflict over their hog trade because of the implementation of Mandatory Country of Origin Labeling (COOL) in 2009. Following the U.S. customers' demands, the U.S. Department of agriculture (USDA) requires the U.S. farmers to label where a product was born, grown and processed. Since the U.S. imported Canadian pigs and raised them with American pigs in the same places, the U.S. farmers need to separate Canadian hogs from American pigs to label the origins of pig and follow COOL implementation. However, the separation of pigs was challenging and costly. The U.S. farmers were required to spend $2.5 billion in order to comply with this new rule. Therefore, major U.S. pork producers including the top five, which account for more than a half of all pork sales in the U.S., stopped buying pigs from Canada. In the first three quarters of 2009, 60% of expected exports which was approximately $3 billion dropped (Peng, 2014). Because of these negative effects toward Canadian export of hogs, COOL can be regarded as Non-tariff Barriers (NTBs).

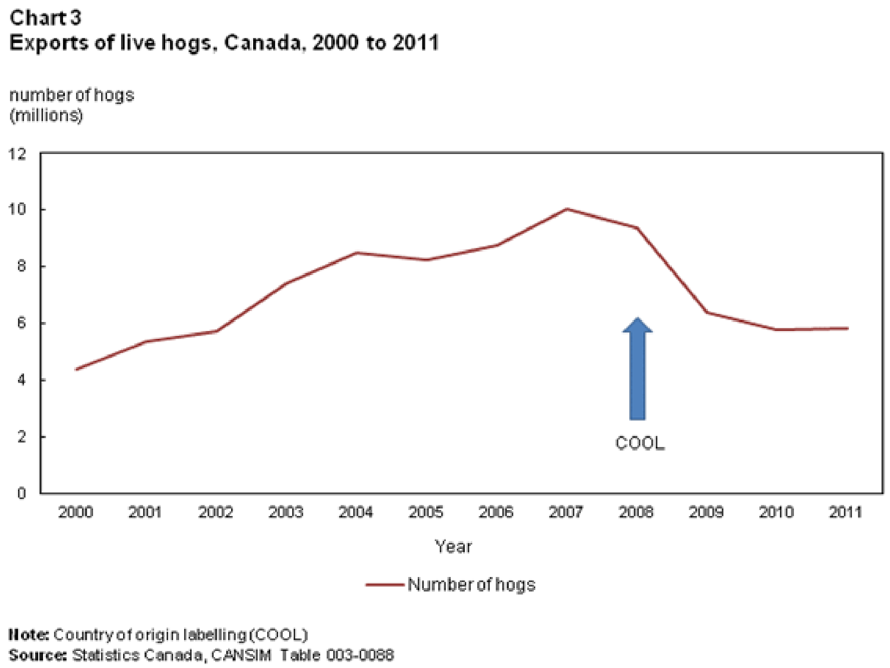

Figure 1 (Yan, 2013)

Since the effect of the implementation of COOL on the trade between the U.S. and Canada was significant, Canada and the U.S. started a negotiation in May 2009 but their negotiation broke down in October 2009. Canada insisted that the rule affected the ability of Canadian hogs to compete fairly in the U.S. market and it formally charged the U.S. with COOL at World Trade Organization (WTO). On the other hand, the U.S. believed that the implementation of COOL just provided customers information of origins of products, and the county-of-origin labeling was the legitimate policy of WTO. In November 2011, a resolution panel of WTO determined that the COOL was out of WTO obligation due to the influence on the Canadian meat industries.（Peng, 2014） In March 2012, the U.S. appealed the panel's decision. The fight over COOL is still lasting.

2. Backgrounds

<Main stakeholders>

(1) Canada

Canada is one of the main stakeholders in this dispute. Canada was opposed to the COOL implementation because the American policy, COOL, discriminated against out-of-country meat products (Johnson, 2014). The discriminatory treatment of Canadian hogs and cattle by the U.S. producers or processors stems from substantial additional costs that are incurred by those in the U.S. meat supply chain, including producers, processors, distributors, and retailers, who must segregate Canadian animals from American animals (Government of Canada, n.d.). Canada was the America's second largest importer of goods in 2013. The U.S. imports of agricultural products from Canada totaled $ 21.8 billion in 2013. Leading categories of agricultural imports were snack foods, ($3.2 billion), red meats including fresh, chilled, and frozen meats ($1.9 billion), other vegetable oils ($1.7 billion), and processed fruit and vegetables ($1.4 billion) (The office of the United States trade representative, n.d.). Red meats and live animals which are required to label the country of origin occupy 17% of the total of the U.S. imports of agricultural products from Canada. Therefore, the U.S. reduction of importing Canadian hogs led to decrease Canada's profits from exporting hogs to the U.S. Canada has estimated the damages caused by COOL to be over $3 billion annually. (Government of Canada, n.d.)

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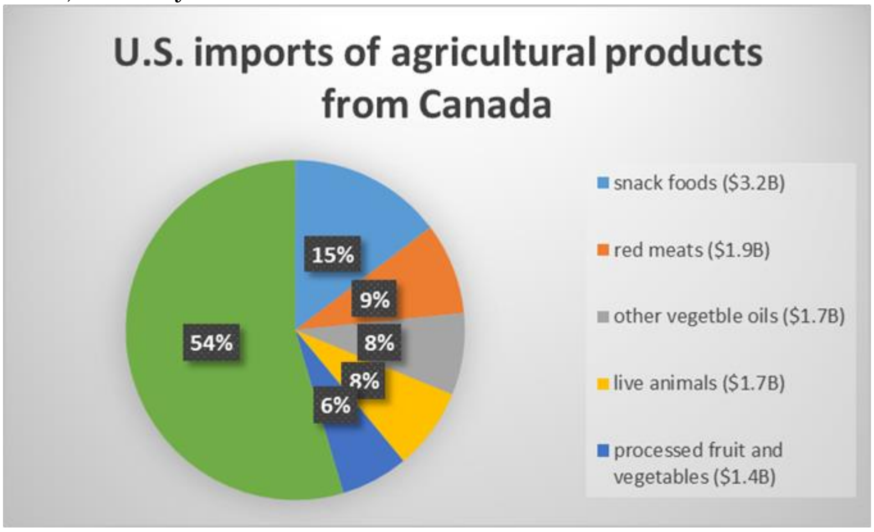

Figure 2 (The office of the United States trade representative, n.d.)

(2) The U.S.

Another main stakeholder is the U.S. which implemented COOL. COOL require retailers to notify their customers of the country of origin of covered commodities, which include beef, veal, lamb, chicken, fish and shellfish, goat, pork, perishable agricultural commodities, macadamia nuts, pecans, ginseng, and peanuts (Melvin, & Alissa, 2004). The basic idea of COOL comes from the Tariff Act of 1930 in the U.S. which required to label every foreign origin imports into the U.S. in order to indicate the ultimate purchaser (Melvin, & Alissa, 2004). The covered commodities by COOL were exempted from labeling under the Tariff Act of 1930. The 2002 and 2008 Farm Bills,which were the multi-year piece of authorizing legislation of agricultural and food programs, decided the covered commodities of COOL requirements (Melvin, & Alissa, 2004). The USDA is charged with implementing COOL requirements by WTO (Melvin, & Alissa, 2004). The USDA, the leading backer of COOL, insisted the policy was designed to help consumers make better food choices (Johnson, 2014). Also, the USDA claimed that consumers would be willing to pay a price premium for country-of-origin labeling (Brester, Marsh, & Atwood, 1999-2006). The U.S. believes that COOL is beneficial not only for consumers but also producers.

(3) World Trade Organization (WTO)

WTO was established as the successor of General Agreement on Tariffs and Trade (GATT) in 1995 (Peng, 2014). GATT was the agreement which contributed to a successful economic growth by supporting to reduce trade tariffs from 1948. However, along the development of economy, it became apparent that GATT cannot cover three concerns: trades of services and intellectual rights, the loopholes of merchandise trades, and non-tariff barriers

(NTBs) (Peng, 2014). Then, to improve GATT, WTO was established as the organization which underpins the multilateral trading system. It consists of three main areas: trading goods and services, and protecting intellectual property rights (Peng, 2014). Also, it plays a role in settling trading disputes and reviewing trade policies (Peng, 2014). In the dispute over COOL between the U.S. and Canada, the goal of WTO was to settle the dispute. WTO called on a panel which consisted of three neutral states, Switzerland, Pakistan, and Portugal to judge if COOL followed WTO obligations (Peng, 2014). They concluded that the U.S. implementation of COOL is against WTO obligations, specifically GATT and Technical Barriers to Trade (TBT) (World Trade Organization [WTO], 2015). TBT is a WTO agreement and aimed to ensure regulations, standards, testing and certification procedures do not create unnecessary obstacles to trade (World Trade Organization [WTO], n.d.). Also, WTO has the right to authorize a trade retaliation (Peng, 2014). In the case, in response to Canada's requirement, WTO is discussing how much the amount of retaliation should be (Mann, 2015). Canada insists to impose retaliatory tariff which costs 3.1 billion Canadian dollars which lost through COOL, while the US estimated the Canadian lose is 91 million US dollars (Mann, 2015).

3. Analysis

<Discussion Questions>

(1) Why do Canada and the U.S have the largest bilateral trading relationship in the world?

Three factors can be considered as factors to foster the trading relationship between Canada and the U.S.: geographical closeness, cultural similarities, and free trade agreement. One factor is the geographic closeness. The U.S. and Canada are adjacent to each other. Therefore, the products, capital, and people can move and be exchanged more actively and easily comparing because the cost of overland transportation can be cheaper than transporting across ocean (Frankel, 2000).

Another factor is the cultural closeness. Culture is one aspect of informal institution and the definition of culture is “the collective programming of the mind which distinguishes the members of one group or category of people from another” (Hofstede as cited in Peng, 2014). Culture plays a great role in trading. If a culture is nearly opposite to the other such as the U.S. culture and Japanese culture, transactions and interactions between two require a careful study of different culture not to blunder. The context approach and the dimension approach suggests the cultural similarity between the U.S. and Canada. In context approach, both the U.S. and Canada have low-context culture at the similar degree (Peng, 2014).

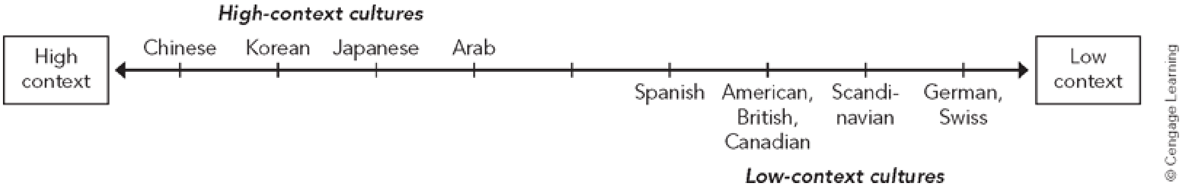

Figure 3 (Peng, 2014)

Also, the dimension approach by Hofstede indicates the U.S. and Canada have similar culture. Hofstede proposed five dimensions: power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation (Peng, 2014). The graph shows the U.S. and Canada score similar points.

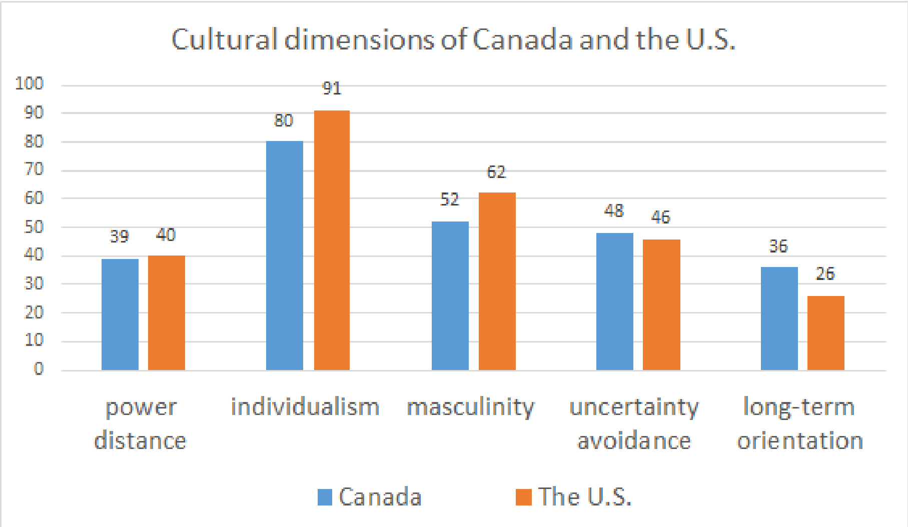

Figure 4 (The Hofstede center, n.d.) (Peng, 2014)

In addition, the difference of language is the most likely cause of trade blunders. For example, Ford produced a car of which name is “Nova” which means no go in Spanish (Peng, 2014). However, both Canada and the U.S. use English as one of the main languages and the possibilities of blunders by language is lower.

The third factor is Free Trade Agreement (FTA) between Canada and the U.S. which started from the bilateral U.S.-Canada free trade agreement of 1988 (Fergusson, 2008) and evolved to the establishment of North American Free Trade Agreement (NAFTA), the free trade agreement among Canada, the U.S., and Mexico (Peng, 2014). Due to NAFTA, they do not impose tariff on their trade, so the trade between Canada and the U.S. was encouraged and their trade relationship became closer. Trade between Canada and the United States increased twice in the first decade after NAFTA went into effect (Peng, 2014). The geographical closeness, cultural similarity, and NAFTA were the cause of the bilateral trading relationship between the U.S. and Canada.

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(2) Why do Canadian products have such a large market share in the United States?

In addition to the answers of the previous question such as the geographical closeness or cultural similarities, there are two reasons why Canadian products occupy a large market share in the U.S.: the high importance of Canadian supplies and the relationship of mutual trust. Firstly, what Canada is providing is very essential for the U.S. For example, Canada is the single largest foreign supplier of energy including oil and natural gas to the U.S. In addition, Canada is the U.S.' electric reliability partner (The U.S. Department of State, 2016). Canada and the U.S. have the bilateral trade relationship in terms of electricity which is gradually growing larger. Both Canada and the U.S. serve as a vital partner for maintaining the efficient delivery of competitively priced electricity across North America. The Canadian Electricity Association (CEA) is actively involved in the promotion of Canadian electricity industry in order to raise their interest in business opportunities in the U.S. market. (Patrick, 2010). Exports of Canada is significant for the U.S. and this is the cause of a large share of Canadian products in the U.S. market. Secondly, Canadian products occupy a large share of the U.S. market because of their mutual trust. One of the examples is NAFTA, which encourages the trade among the U.S., Canada, and Mexico. As it was stated in the first part, NAFTA made the trade relationship between Canada and the U.S. closer.

However, the reason for the different situation between Canada and Mexico, the member of NAFTA, should be explained. Exports of Mexican products cannot reach the same amount of exports as Canada while Mexico is the third largest country which exports to the U.S. and the adjacent country to the U.S. from two main reasons. First of all, Canada has a longer trading history with the U.S. than Mexico. The concept behind NAFTA had existed for years before it was born. The U.S. President Ronald Reagan spoke of a North American agreement in his campaign in 1979. His concept led to the establishment of the Canada-U.S. Free Trade Agreement which had existed since 1989. Their bilateral agreement eventually led to the establishment of NAFTA, which was launched on January 1, 1994 (Ford, 2008). In this way, Canada and the U.S. have established their mutually trusted relationship. The second reason is the cultural difference between the U.S. and Mexico. Unlike the Canadian cultural similarities with the U.S., Mexican culture has different aspects from the U.S. In the context approach, the U.S. is low context culture whereas Mexico is high context culture (Reynolds and Valentine, 2011). In the dimension approach, it cannot be said that these two countries have a similar culture compared with Canada. It shows the differences clearly in power distance, individualism, and uncertainty avoidance (The Hofstede centre, 2016).

Moreover, the main language of them is different, and Mexico uses Spanish as the native language, while the U.S. use English as one of the common languages. Therefore, it is easier for the U.S. to establish the trading relationship with Canada rather than Mexico due to these differences.

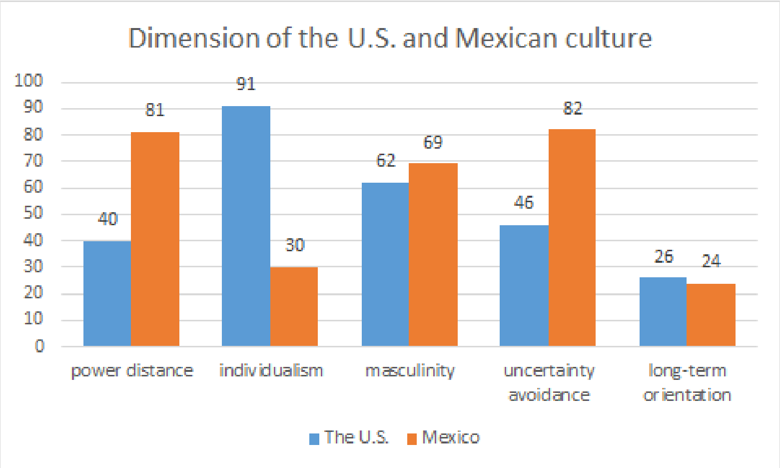

Figure 5 (The Hofstede center, n.d.) (Peng, 2014)

(3) While 98% of Canada-U.S trade flows smoothly, trade disputes only affect the remaining 2%. Some argue that the Canadians have over-reacted in this case. What do you think?

Even though implementation of COOL legislation by the U.S. affect only 2% of total trade flows between Canada and the U.S., it was important that Canadian government showed their intention of resisting the NTBs so as to appeal its supportiveness toward the domestic industries.

Hog industry is important politically because a small well organized group is an advantage for governments to remain their popularity and secure solid supports for an election. Even though the hog industry is the 4th largest in Canada, it is important politically not because hog farmers are enormously powerful. Actually the number of farmers is declining, from 1921 to 2011, it went from 452,935 to 7,371 shearing only 0.6 % of residents in Canada. (Yan, 2014) However, Charles Wheelan (2010) states that the important thing is not how many members there are in a group but how intensively they are interested in government strategies. Those who are engaged in hog industry are well organized by establishing interest groups such as Canada Hog Council (CHC) and Canada Pork International (CPI).

Besides, their interests on politics seem to be strong. For instance, in 2015, CPI published a pamphlet named "Canadian Pork Industry Platform for 2015 Federal Election". In this pamphlet, CPC is showing some requests for the new government, insisting that they want “market penetration of Canadian pork, meat products and freedom of access to American markets for live hogs” (Canadian Pork Council, 2013). To achieve this desire, CPI demanded that the federal government to maintain pressure on the U.S. to eliminate the discrimination against Canadian pigs and cattle caused by COOL, and if the U.S. does not react, to impose retaliatory tariffs as a threat. If a candidate of election in Canada goes against these demands of hog farmers, it is inevitable to lose the supports.

Besides, in this case, the candidates need not take a risk by criticizing implementation of COOL by the U.S since it does not invade other Canadian voters’ interest. They can make a strong appeal to keeping severe reaction toward the U.S following the desire of CPI and CHC and can expect strong support from hog farmers with low risks. As stated above, since the hog industry is well organized with strong political interest, it is advantageous to appeal their will to make efforts to establish more comfortable situation for those engaged in that industry with low risks.

4. Summary

Even one law which was implemented based on the expectation of domestic positive effects can influence on other country negatively. In international trade, countries need efforts to keep a positive relationship between them and gain benefits mutually. In this global age, it is important to not only focus on domestic interests but also consider other countries’ concerns to avoid conflicts which damage involving countries.

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	Learning Outcomes		
	1	**2**	**3**
Before	2.31	2.64	2.67
After	3.51	3.53	3.89
Difference	1.2	0.89	1.22

Frequency Distribution for the most beneficial outcomes	
Outcome 1	22
Outcome 2	18
Outcome 3	24

Coalition Bargaining

INTRODUCTION

The word *coalition* may be loosely defined as a group of individuals or subgroups who assemble to *collectively* exert influence on another group or individual. In an environment where there are many individuals, there are often many different points of views. Each individual view things differently, and each individual would like to have the "system" represent his or her views. In a dictatorship, the system usually represents the views of the dictator, but in democratic environment, the views that are represented are usually those of a subgroup of who have agreed to work together and collectively support one another's views in exchange for having a stronger impact on the system than each individual could have alone.

Many of us are familiar with the work of coalitions. The patterns of influence in national politics, governments, and communities provide us with some excellent examples. Whether it be the coalitions that are formed along traditional party ties (Democrats or Republicans) or along the concerns of special interest groups (Common Cause, the Sierra Club, the AFL-CIO, the National Rifle Association, the National Organization for Women, or hundreds of others), each group is attempting to influence the direction of the larger system by effectively pooling its resources, working together as a team, and persuading those who have control of the current system.

Coalitions are *common* phenomenon in organizations as well. The 1990s have seen a significant emergence of coalitions in the business sector. In earlier times, these may have been no more than cooperative agreements and licensing between companies, or efforts to work together to influence political and economic policy. But the demands for increased competitiveness in the 1990s have spawned a significant number of mergers, partnerships, and strategic alliances between companies, as they attempt to remain competitive in the international marketplace or move into new markets, product lines, spin-off businesses. Organizations are a complex web of crosspressures among various subgroups, each one striving to have its own priorities adopted as the primary goals of the total organization. Those who are initiating and leading these efforts must have excellent strategic skills to assess the "power dynamics" that each party brings to this game, and sophisticated negotiating skills to forge and manage the relationships between the parties.

The purpose of this exercise is to help you understand the different sources and expressions of power, or "leverage," that individuals and groups can use in multiparty decision making. In this exercise, you will see people use power and influence in a variety of different ways. See if you can determine what kind of power is being used, how effective it is at gaining the other's compliance or cooperation. In addition, this exercise will help you explore the dynamics of trust and cooperation in a strongly competitive situation.

PROCEDURE

STEP 1: 5 MINUTES

I will break the class into two groups of three teams with approximately an equal number of members on each team. Some class members will be designated as observers. You will be selected randomly in advance. The team will be randomly designated A, B, and C.

STEP 2: 10 MINUTES

Read the following rules.

RULES OF THE GAME

OBJECTIVE

To form a coalition with another team, in order to decide the stake. The coalition must also decide on a way of dividing the stake so as to satisfy both parties.

THE STAKE

Each team has *unequal* resources that cannot be shared as indicated below.

Team A: 8 pts

Team B: 7 pts

Team C: 7 pts

In addition, you will receive a different stake, depending on the coalition you form:

If an AB coalition forms, it will receive a stake of __2 pts____

If an AC coalition forms, it will receive a stake of __3 pts____

If a BC coalition forms, it will receive a stake of ___3 pts___

THE STRATEGY

Each team will meet separately to develop a strategy before the negotiation. You should also select a negotiator.

RULES FOR NEGOTIATOIN

1. All members on a team may be present for negotiations; however, only the negotiator may speak.
2. Notes may be passed to negotiators if desired.
3. A team may change its negotiators between conversations.
4. At the termination of the game, the stake will be allocated only if a coalition has been formed.
5. Only one formal coalition is permitted.
6. If no coalition is reached, no funds are allocated.

7. Negotiations will be conducted in the following fixed order, and for the following fixed periods of time:

Order of Negotiation	*Time for First Round of Negotiation*	*Time for Second and Third Rounds of Negotiation*
Team A and B	5 minutes	4 minutes
Team A and C	5 minutes	4 minutes
Team B and C	5 minutes	4 minutes

8. The team *not* in negotiations — that is, while the other two teams are negotiating — must leave the negotiation room. Other members of the companies who are *not* in the negotiating teams may not speak with any of the negotiators.
9. There cannot be any conversation between team members and observers at any time

VALID COALITIONS

1. After negotiations, all three teams are given the opportunity to submit a written statement: "Team X has a coalition with Team Y, whereby Team X gets *X pts* and Y gets Y pts." When written statements meeting the above requirements from any two teams agree, a valid coalition has been formed.

STEP 3: 10 MINUTES

Each team will meet in a separate area to plan its strategy. During the strategy session, you will want to decide which team you might want to coalesce with, how you might want to divide resources, what kind of offers the other team might make to you, and so on. You may also want to decide what sources of power you have and how you might take advantage of these sources of power in the upcoming negotiations. You must also select a negotiator.

STEP 4: 20 MINUTES

Each pair of teams will report to the "negotiation area" for five minutes to conduct its discussions. Only the negotiators will speak, but other team members can be present and pass notes. At the end of each five-minutes block, I will stop the negotiations and move to the next pair. *The team not in negotiations on a particular round must leave the negotiating room*

STEP 5: 35 MINUTES

Each pair of teams reports to the negotiating area for four-minutes discussions for *the second and third rounds* (in the same sequence as above).

STEP 6: 5 MINUTES

I will ask each team to meet separately, and to submit a ballot stating the coalition that they believe was formed. This should be written on a blank sheet of paper, in the following format:

Team (your team) has a coalition with Team _(other team)_, whereby Team __(your team)___ receives ___X____ (points) and Team _(other team)_ receives ____Y_____ (points).

Each team brings its written statement to the negotiating room. I will announce whether a valid coalition has been formed (two ballots agree); the points are then distributed as specified on the ballots.

1. Describe the product, process or service. Do you provide after sale services?
2. Describe the market for the company. Who do you target?
3. What value do you provide to consumers?
4. Is what you provide rare? Explain.
5. Is your product, process or service imitable? Explain.
6. What type of organizational structure will you have?
7. How will you finance this venture?
8. What fixed costs will you have?
9. What variable costs will you have?
10. What price should you charge your customers?
11. Where will you locate your office/store? Online or offline?
12. How many employees would you need? How many would be full time and how many temporary?
13. How would you sell this service to potential clients? How do you market it?
14. How do you source?
15. How do you distribute?
16. Will you be responsive or efficient?
17. Do you outsource anything?
18. How does the law of supply and demand affect this type of business?
19. How do you attract potential workers?
20. What are the major risks of this type of business?
21. What is the potential for profit from this type of business?

Introduction to Global Economy and Business
Faculty of International Liberal Arts
Fall 2015

Professor: U. Aytun Öztürk, PhD
Office: Global Square, AW903
Phone: 042-691-9404
E-Mail: Ozturk@soka.ac.jp
Office Hours: Wed 16:40-18:40
Class Location and Time: AW 502, Wed and Fri 10:45-12:15

Note: **This syllabus is subject to revision by the first day of the semester.**

Welcome! This syllabus provides pertinent information for students enrolled in the Introduction to Global Economy and Business course. This course is one of the core courses required in the Faculty of International Liberal Arts. Its objective is to instill in students the knowledge in business and economics, as well as providing them the opportunities to develop skills and attributes prerequisite to successful completion of the subsequent courses in the department and flourish to become global citizens.

Course Description:
"The focus of this course is a survey of functions of business and knowledge and the skills needed for businesses to be successful in the global economy. Various business functions will be introduced such as accounting, entrepreneurship, finance, human resources management, marketing, operations management, small business management, the multi-national company's environment, culture, strategy and organization as well as the role of managers in today's global business. Attention will be given to comparative analysis of national economic institutions, as well as prominent international institutions such as the International Monetary Fund, World Bank, and World Trade Organization. Students will be introduced to basic economic analysis as it is applied to global economic flows and national institutions. It is essential that businesses recognize, understand and contribute to the social, political, legal and economic environment they operate in, therefore students will learn how these different environments and businesses may influence one another. In addition, ethical and social dilemmas faced by managers and businesses will be explained using case studies. The class will use hands-on in-class activities, simulations, cases and team building exercises whenever appropriate to demonstrate the application of theories discussed. The course will require students to work on a project in a team which will culminate in a paper and a presentation."

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Student Learning Outcomes:
The main goal of this course is to expose students to the fundamental business concepts and topics critical in understanding the global economy. Through true to life case studies and exercises the course will introduce students to areas in business and economics.

By the end of the course students will
1. develop a basic understanding of the different types of economic systems and functions of business critical to success of organizations in a global setting,
2. identify economics, finance, human resources management, international business, marketing, and operations management concepts relating to development of strategies crucial to success of entrepreneurs, small business managers and corporations locally and globally,
3. describe the role of corporate culture, business ethics, corporate governance and corporate social responsibility within organizations,
4. differentiate between the major players in the global economy and examine the role of financial institutions in international trade and finance,
5. be able to tackle issues, collaborating with others who have different ideas and backgrounds,
6. have learned in an unbiased perspective and be able to understand the interdependence of themselves and others,
7. be able to think critically and express their opinions accurately.

Textbook:
Peng, M. (2014). *Global business, 3/e*. Cengage Learning. ISBN: 978-1133485933.

Wheelan, C. (2010). *Naked economics: undressing the dismal science (Fully revised and updated)*. WW Norton & Company. ISBN: 978-0393337648.

Lecture Notes:
For those lectures that make use of power point slides, the slides will be posted on this course's website. Please note that these power point slides are not inclusive of all of the material covered during the lectures. Also, we will not necessarily go over each slide in class. The slides are available to supplement the notes you take during class.

Course Structure and Participation:
I will summarize and highlight essential points for the subjects covered during the lectures; however, lecturing will typically take no more than one third of the time for each session. The onus is on the students to ensure that they complete

the assigned reading in a timely manner. The course is structured such that there is enough time for students to discuss the subject matter or participate in in-class activities, during which time my role becomes one of a facilitator. Periodically, I will make use of various resources such as a portion of a film, a scholarly or news article, a case study, a management dilemma, or a recent event to enliven in-class discussions. Therefore, participation does not mean being present in class. I expect you to positively contribute to the learning experience of the entire class by

- asking questions to help clarify important points,
- commenting on what a classmate stated,
- answering questions posed.

If you must miss a class, it is your responsibility to ask for materials or information on what was covered by contacting your classmates, and/or review the syllabus and course website. Note that no make-up exams or quizzes will be given unless you provide official documentation for your legitimate absences. (Please consult the academic affairs office for details.)

Quizzes:
Quizzes may be given at the beginning/during/end of the lectures. If so, a quiz will typically consist of a multiple choice question. The quiz will assess your understanding of the reading assignments or lecture. It also ensures that you are attentive and actively participate. Your lowest quiz score will be dropped at the end of the semester. This policy is in place to accommodate those of you who must miss a class due to unforeseen circumstances.

Exams:
Exams are open book and notes. All of the exam questions will be multiple choice questions. Students may use the text book during the tests, but they are not to seek help from electronic resources. Students are not allowed to collaborate when working on the exams. The exam assesses your knowledge of the subjects covered in the course. The exam is open book and notes so as to ensure that you are not nervous or anxious during the exam and have access to those resources as a reference. Clearly, there will not be enough time during the exam to read through the book to figure out the answers to the questions. Please keep this in mind as you prepare for the exams.

There is no doubt that you have already developed attributes of honesty and trustworthiness, however, to avoid accidents from happening, during quizzes and exams, use of handheld devices is not allowed. If you must wear a baseball cap during the quiz, please wear it backwards. During the exam, unless instructed by the proctor, you are not allowed to browse the internet, download/upload files to/from your devices, access files that reside on a portable data storage device such as a memory stick/USB drive, and access email. Carrying out any of the actions described above will be considered as cheating. Cheating will not be tolerated and will result in a failing grade for the exam and/or the course.

Team Project:
For this assignment you will be asked to read, analyze a case study in addition to addressing discussion questions for the case study. The timeline for the tasks that need to be completed are provided below:

- By the end of the third week of the term you should let me know a list of your group members (full names). Groups will consist of four members. After that, students who do not belong in a group will be assigned to a group by the instructor.
- By week four, I will provide you a list of cases you can select from.
- After reaching a consensus within your group, as to which cases you are interested in, you will email me top three choices for your team no later than the end of the fifth week of the semester. Note that once you identify a shortlist, you are not allowed to change it.
- During week ten, you are required to deliver a five-minute power point presentation (you may also use other presentation software, however using MS Word is not acceptable), which should introduce the situation at hand and state the issues that need to be dealt with.
- During the last two weeks, you are required to deliver a ten-minutes presentation on your final analysis and submit a MS Word report online (no hard copies).

Please consult the guideline posted on this course's website before you begin preparing your presentations and report. Note that each member of the group needs to present a portion of the project during either the first or the second presentation. During the final week of classes you will be asked to evaluate your group members on their contribution to the team-work. Details of this will be provided in class. If there are unanticipated issues that come up during team-work, please make multiple attempts to resolve it within the team. If you fail to address the matter, please contact me so I can assist in finding a resolution to the issue at hand.

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Assessment and Grading:

Final grades will be based on the following distribution:

Participation	5%
Quizzes/Exercises/Simulation	5%
Presentation	10%
Team Report	20%
Exam 1	20%
Exam 2	20%
Exam 3	20%

Quizzes, exercises simulations, and exams will primarily be used to assess learning outcomes 1 thru 4. Presentations and reports will primarily be used to assess learning outcomes 5 thru 7.

Late assignments (quizzes, reports and exams) will **not** be accepted unless the instructor is coordinated with **in advance**. When requesting more time, make sure that you provide documentation for your legitimate delay due to an emergency such as emergency dental work or hospitalization; death of relative or close friend; a car accident.

Cheating of any sort will **not** be tolerated, and will result in a failing grade for the assignment and/or the course. The grades and grade point equivalents are listed below. I reserve the right to "curve" the overall final grades. If any "curving" is done, it can only help you; it cannot hurt you.

<table>
<tr><th>GP</th><th>Grade</th><th colspan="2">Range</th><th colspan="2">Grade</th><th>Range</th></tr>
<tr><td>5</td><td>S</td><td>≥90</td><td>≤100</td><td>N</td><td colspan="2">Not possible to evaluate</td></tr>
<tr><td>4</td><td>A</td><td>≥80</td><td><90</td><td colspan="3" rowspan="5">N is assigned if you do not take the final exam or miss more than two thirds of the classes.</td></tr>
<tr><td>3</td><td>B</td><td>≥70</td><td><80</td></tr>
<tr><td>2</td><td>C</td><td>≥60</td><td><70</td></tr>
<tr><td>1</td><td>D</td><td>≥50</td><td><60</td></tr>
<tr><td>0</td><td>E</td><td>≥0</td><td><50</td></tr>
</table>

Classroom Etiquette and Course Policies:

- Please be on time and be prepared.
- You should expect to study on average two hours outside of the class for every hour spent in class.
- There is no doubt that all of the students enrolled in this course are all civil and courteous. However, just as a reminder, please be considerate of other people in class and do not talk or make noise while another person is speaking. Disruptions will not be allowed. If necessary, the person interrupting the lecture will be excused from the session.
- Do turn off your cell phone ringers/alarms before you attend the class.

Introduction to Global Economy and Business
Faculty of International Liberal Arts
Fall 2015

• You are not allowed to browse the internet, check email or use your cellphone, laptop or computer to work on matters irrelevant to the course during the time allocated for our meetings. If you do not follow this rule, you will lose one participation point for each violation.
• Feel free to ask for clarification of details, but asking whether a particular detail will be on a test is always inappropriate. Consider *everything*—every word of every lecture, discussion, or reading—essential to the class and fair game for tests unless noted otherwise.
• During most of the lectures, there will be a five-minute break. Please be back to your seats before the break is over. If you expect to step out of the classroom during our meetings e.g. to answer an important call or have to leave early, please be seated close to the entrance so as to depart without disrupting the lecture. If you are late to class for more than fifteen minutes, this will be recorded as tardiness. If you are late for more than 30 minutes, this will be recorded as an absence. If you are late for more than 30 minutes, please wait until the break to enter the classroom.
• I will use email to communicate with you so please make sure to check your email periodically i.e. at least every two days.
• The instructor will provide assignment grades and scores to each student within a week of the date of submission. Student's e-mail will be answered within 48-60 hours. Please keep this in mind and plan ahead so you do not miss deadlines.
• The instructor reserves the right to keep either the original or a copy of any student's written assignment, paper, video, or other work submitted by the student, either individually or as a team, for this class.

Course Schedule (Tentative):

Week of	Topics	Readings
11-Sep	Introduction	
14-Sep	Exercise - Team Dynamics	
	Global business – Power of Markets	GB Chapter 1, NE Chapter 1
21-Sep	Political, Legal and Economic Environment of Business - Incentives Matter	GB Chapter 2, NE Chapter 2
	Guest Speaker	
28-Sep	Culture, Ethics and Norms – Government and the Economy I	GB Chapter 3, NE Chapter 3
	Trading Internationally - Government and the Economy II	GB Chapter 5, NE Chapter 4
5-Oct	Review	
	NO CLASS – UNIVERSITY FESTIVAL	

12-Oct	EXAM 1 –GB Chapters 1, 2, 3, 5	
	Exercise - International Trade	
19-Oct	Dealing with Foreign Exchange	GB Chapter 7
	Economics of Information	NE Chapter 5
26-Oct	Capitalizing on Global and Regional Integration	GB Chapter 8
	Productivity and Human Capital	NE Chapter 6
2-Nov	Growing and Organizing the Entrepreneurial Firm	GB Chapter 9
	Financial Markets	NE Chapter 7
9-Nov	Competing on Marketing and Supply Chain Management	GB Chapter 14
	The Power of Organized Interests	NE Chapter 8
16-Nov	EXAM 2 – GB Chapters 7, 8, 9, 14	
	Managing Human Resources Globally	GB Chapter 15
23-Nov	Presentations	
	Keeping Score	NE Chapter 9
30-Nov	Financing and Governing the Corporation Globally	GB Chapter 16
	The Federal Reserve	NE Chapter 10, First Drafts Due
7-Dec	Managing Corporate Social Responsibility, Globally International Economics	GB Chapter 17, NE Chapter 11
	Exercise – Negotiations	
14-Dec	EXAM 3 – GB Chapters 15, 16, and 17	Feedback on First Drafts
	Field Trip	
Break	23-Dec/8-Jan	
11-Jan	Presentations	
	Presentations	Reports Due

Managing Corporate Social Responsibility Globally

OPENING CASE

Marks & Spencer's Plan A

Founded in 1884, Marks & Spencer (M&S) is a leading UK retailer specializing in clothing and luxury food products. It is the UK's largest clothing retailer with a 12% market share. It also has 4% of the UK food market. Listed on the London Stock Exchange, M&S is a constituent member of the FTSE 100 Index. In 2012, it had 78,000 employees, over 700 stores in the UK, and over 300 stores in more than 40 other countries, serving approximately 21 million customers every week. It had 2,000 suppliers, over 20,000 farms, and 250,000 workers who helped produce products carried by M&S.

In 2007, M&S launched an ambitious corporate-wide Plan A—a five-year plan that addressed some of the biggest social and environmental challenges with 100 concrete commitments that it aspired to achieve by 2012. In 2010, following three years of successful implementation of Plan A, M&S added 80 commitments. Every store had a dedicated Plan A champion. Plan A was divided into five areas (with leading examples):

- Climate change: becoming carbon neutral for all its UK and Irish operations
- Waste reduction: sending no waste to landfills
- Sustainable raw materials: tripling sales of organic food
- Fair partnership with suppliers: introducing random checking of suppliers to ensure that M&S's Global Sourcing Principles are being adhered to at all times
- A healthy lifestyle for customers and employees: introducing more nutritionally balanced food, with more informative labeling, no artificial coloring, and a reduced amount of salt

In Plan A's first year (2007), M&S reduced energy-related CO_2 emissions from its stores and offices by 55,000 tons, opened three pilot "eco-stores," and completed a carbon footprint assessment for its food business. Among its numerous actions was an effort to reduce plastic shopping bags, which were always given away to shoppers free of charge. M&S argued that from an environmental standpoint, plastic bags are not "free" because they are not biodegradable and will be stuck in landfills essentially forever. Starting in 2007, its 50 stores in Southwestern England and Northern Ireland gave customers a free cloth Bag for Life. After four weeks, these trial stores started charging 10 pence (US$0.16) for each Bag for Life (which would be replaced free of charge when worn out), and five pence (US$0.08) for each plastic food carrier bag. The effect was immediate: in trial stores, the customers' use of food carrier bags dropped by over 70%, and M&S also sold eight times more Bags for Life than it did in 2006. Throughout all its stores, M&S cashiers simply asked shoppers:

"Do you need a carrier?" Overall, in 2007, M&S reduced its use of plastic bags by 11% across all its stores—a total of 37 million *fewer* bags given out. All profits from the sale of bags in 2007, over $125,000, went to an environmental charity, Groundwork, to support environmental regeneration projects. Based on these successful trials, M&S rolled out its program to charge for shopping bags in all its UK and Irish stores in May 2008.

Although clearly motivated by considerations for corporate social responsibility (CSR), M&S has been careful *not* to label this program a "CSR" plan. The committee in charge of Plan A is called the How We Do Business (HWDB) Committee, which is headed by the CEO. Where does the term "Plan A" come from? According to Plan A's website:

> We're doing this because it's what you want us to do. It's also the right thing to do. We're calling it Plan A because we believe it's now the only way to do business. There is no Plan B.

"Backed by a strong business case," said Richard Gillies, director of Plan A, CSR, and sustainable business, "Plan A is at the heart of the exciting new growth plan for M&S, both in the UK and internationally." By the end of the fourth year, M&S achieved 95 of the 180 Plan A commitments, resulting in a reduced environmental footprint, a positive contribution to communities, and increased efficiencies. In 2011, Plan A contributed a net benefit of over $110 million. Starting in its first year, Plan A earned numerous kudos from various CSR groups. M&S led the global retail sector in the Dow Jones Sustainability Index. It was awarded the World Environment Center Gold Medal for Sustainable Business. In the UK, it received recognition from Greenpeace (top retailer for using wood from sustainable sources), Compassion in World Farming (top retailer for high food animal welfare standards), and National Consumer Council (for operating market-leading green supermarkets).

Yet, not all was rosy. In autumn 2007, some nongovernmental organizations (NGOs) challenged M&S, demanding that it be more aspirational in its commitments to improve labor standards. In response, M&S increased the number of labor experts from seven to 23 on the visitation teams for labor standards compliance and promised to do more.

Sources: Based on (1) *Economist*, 2008, Just good business, January 19: 3–6; (2) M&S, 2007, *Plan A News*, plana.marksandspencer.com; (3) M&S, 2008, *Plan A: Year 1 Review*, January 15, plana.marksandspencer.com; (4) M&S, 2011, *How We Do Business Report 2011*, plana.marksandspencer.com.

Although Marks and Spencer (M&S) aspires to be one of the most socially responsible firms, the Opening Case raises three crucial questions: (1) Why does it label its main committee in charge of Plan A as the How We Do Business (HWDB) committee? (2) In light of the challenges launched against M&S by some NGOs, can a firm ever be socially responsible enough? (3) When a firm pursues a social mission, is it setting itself up to be a target? Obviously, these questions have no easy answers. This chapter helps you answer these and other questions concerning **corporate social responsibility (CSR)**, which refers to "consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks."[1] Although historically, issues concerning CSR have been on the "back burner" of management discussions, these issues are increasingly brought to the forefront of corporate agendas.[2] While this chapter is positioned as the last in this book, by no means do we suggest that CSR is the least important topic. Instead, this chapter is one of the best ways to *integrate* all previous chapters concerning international trade, investment, strategy, supply chain, and human resources.[3]

Corporate social responsibility (CSR)
Consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks.

Stakeholder
Any group or individual who can affect or is affected by the achievement of the organization's objectives.

At the heart of CSR is the concept of **stakeholder**, which is "any group or individual who can affect or is affected by the achievement of the organization's objectives."[4]

CORPORATE SOCIAL RESPONSIBILITY

CASE STUDY

Marks and Spencer

MARKS AND SPENCER

- Why does it label its main committee in charge of Plan A as the How We Do Business (HWDB) committee?
  - Why did M&S avoid the name like CSR projects in the first place? Guess.
- In light of the challenges launched against M&S by some NGOs, can a firm ever be socially responsible enough?
- When a firm pursues a social mission, is it setting itself up to be a target?

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CSR Case Study
Dec. 11, 2015

Being socially responsible enough company

Looking into a company, countless stakeholders exist in its surroundings. Not only primary stakeholder groups represented by shareholders but also secondary stakeholders such as employees, environmental groups, and other social communities have to have a right to enjoy the benefit from a firm because firms spontaneously include a possibility that they may violate particular stakeholders' right. The notion which cover this idea is the Cooperate Social Responsibility on a firm. CSR propose to cover triple bottom line consisting of economic, social, and environmental performance. In terms of it, how can a firm be socially responsible enough with large amount of stake holders and areas that need to be improved? The answer is it is almost impossible to be covered all of desire from each stakeholders by one company. However, even though a firm cannot be completely responsible for society, they can at least choose the best way to be responsible.

Firstly, company can change their attitude toward CSR even though they got negative evaluation from Non-Governmental Organizations. As a reasonable fact, Marks & Spencer tried to change the situation after receiving a claim from NGOs. According to textbook named Global Business in chapter 17, some NGOs accused that M&S should improve labor standards in autumn 2007. To respond, M&S promote visitation to keep the labor standard up by sending 7 more labor experts to 23 teams. By cooperating with stakeholders pointing out the deficiency of the company, they can close to ideal company which accomplish social responsibility and get credit from society.

Secondly, for-profit action can also fulfill CSR. Doing business is also socially responsible act such as providing job for people by stabilizing their company or business transactions. In the textbook, institution-based view explains the strategic response framework, and design reactive, defensive, and accommodative strategies are indicative of the rising legitimacy of CSR regardless of actual motive. Similar as this, as long as they fulfill their business action, it's related to CSR. Come to think of example of financial crisis in 2009, many people lost their job, and it caused a social problem. Some people criticize that company always think only about their profit and earning money instead of social contribution for nothing. However, saving their employees from starving and no income is also an excellent CSR action. Therefore, even if a firm chooses a war doing business instead of much of other CSR activities, it attributes to fulfilling social responsibility which a firm foremost carries out.

In summary, firm can choose best way to be responsible for society even if it is impossible being completely responsible. Sometime that happen firms are pointed out that they have not accomplish their commitment for CSR, however, they can promote their act based on the comment. Firms may criticized that they do almost no social contribution, but actually doing business and keeping company stabile are foremost responsibility for society. Before fixed our perspective for CSR, people need to think what actually fulfilling a responsibility is. Through the process, a firm will find the best way they should walk in when they required a decision in terms of CSR.

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December, 10th, 2015

In light of the challenges launched against M&S by some NGO's, can a firm ever be socially responsible enough?

Capability of Social Responsibility

A firm is socially responsible only within their capability. Every firm has different business styles, and because of that, they might be limited to choose what sorts of social responsibility they can take into action. The British retailing company Mark & Spencer (M&S) was established in 1884 and they sell food, clothing merchandise in 852 stores in the U.K. as well as 480 international stores as a global large company (Marks & Spencer, 2015). Therefore, this essay aims to analyze the case of M&S's social responsibility, in order to evaluate whether or not they are socially responsible enough.

Marks &Spencer endeavors to take social responsibility within their own capacity by setting and realizing the project called "*Plan A*". According to Peng (2014), this project aims to address "some of the biggest social and environmental challenges with 100 concrete commitments" (p. 553). *Plan A* is consisted of five parts: climate change, waste reduction, sustainable raw materials, fair partnership with suppliers, and a healthy lifestyle for customers and employees (Peng, 2014). For instance, in order to reduce food waste, M&S applies discounts to their due date products, preventing they to go wasted. By doing that, they have achieved their goal of reducing 65 percent of their potential food waste (Key Facts, 2015). Approximately thirty stores are contributing to reduction of food waste in donating excessive food to charities such as community shop (Marks & Spencer, 2015). As exemplified, their social responsibility seems to be remarkable.

Even though M&S promote Plan A to respond to their social responsibility, it is important to evaluate whether they are socially responsible enough. For example, The Guardian has reported that some employees working at factories for M&S, in Cambodia, have “complaints about abuse including forced overtime, firing of pregnant women and underage labor”. Furthermore, although it was investigated by Human Rights Watch, M&S was not responsive to their criticism. M&S is not socially responsible for employment even though they are not directly related to the case because it happened in the factory of the supplier (Harrison, 2015). The incident made the project, *Plan A,* more controversial.

As the essay has shown, each firm might be socially responsible enough. However, as Marks & Spencer is exemplified, social responsibility of a firm seems to be imperfect to meet at entire social expectations as M&S is exemplified because they are not capable of being socially responsible for mistreatment in Cambodian factories. Thus, individual company within their capability based on individual characteristic of business style because kinds of business determines what sorts of social responsibility a firm can take.

Reference

Harrison-Graham, E. (March, 12, 2015) M&S and Other Supplied by Facilities that Mistreat Workers, Lights Group says. *The Guardian.* Retrieved from:

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Peng, W. Mike (2014) Global Business. *Managing Corporate Social Responsibility Globally*

Four topics

1. For the reason of social justice and fairness, the government should put a cap on banker's bonuses. (admission question of Oxford University, 2015)

2. To enhance regional economic collaboration, Japan should join Asian Infrastructure Investment Bank (AIIB). (from The Economist, May 31, 2015)

3. Spending parents' lifetime savings to go to an expensive university (e.g., Stanford) is worth it. (Steve Jobs, Stanford Report, 2005)

4. According to Forbes Magazine, Chinese e-commerce giant, Alibaba, will outperform Wal-Mart in 2016 in terms of sales revenues. Thus, the traditional retailing pattern is out-of-dated. (Forbes, Sep 21, 2014)

Debate Photos