

SYLLABUS

Multinational Corporations as Political Actors

Political Science 521
Fall 2024
Mon 9:30am-12:10pm
Park 502

Professor: Jieun Lee
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Office hours: by appointment

Course Description

Multinational corporations (MNCs), along with global firms, play a pivotal role in today's global economy and international politics. This course explores the intricate roles and adaptive strategies of MNCs as they seek to thrive in diverse jurisdictions. Key topics of exploration include: How do MNCs navigate complex government relations internationally? What strategic advantages do MNCs leverage within various legal and political frameworks? Which topics garner special attention from MNCs, and why? Through a critical examination of MNCs' interests both domestically and globally, students will develop a sophisticated understanding of how these entities influence and are influenced by international politics. The readings for this course are selected from academic journals in political science, management, and economics, providing a rich, multidisciplinary perspective on the political strategies and impacts of MNCs.

Learning Outcomes

1. Students will gain a profound insight into a foremost special interest group that is instrumental in shaping the landscape of international political economy.
2. Students will develop practical skills (e.g., writing abstracts and proposals, giving talks, being a designated discussant, engaging in Q&A, reviewing articles, formulating conference panels, etc.) necessary to be successful in the academia.
3. Students will initiate one or more of their own empirical research projects by building a theoretical argument, drawing out testable implications, and assembling and analyzing relevant data.

Course Website

The website for this course is on UBLearn. All course-related updates, materials, and assignments are managed via UBLearn. If you have any trouble accessing UBLearn or any of the course materials, please let me know right away.

Course Requirements

Grades in the course will be based on the following (% of total grade):

- *Weekly Literature Memos (30%)*

Each week, you will submit a literature memo to the course website. These memos are due **9am on Fridays the week prior to class**. The purpose of these memos is to help you organize your thoughts and to facilitate class discussion around key research questions that you find to be interesting and important. The discussion leader of the week will also review these memos in order to organize discussion questions. In these memos, you will provide the following **for each required reading**:

- One-paragraph summary of the article.
- One-paragraph discussion of the contributions and limitations of the article.
- One or two talking points (most interesting questions or arguments that you have identified in the readings). You could discuss the strengths and weaknesses of the authors' research designs and empirical tests. Another suggestion is to identify gaps in our knowledge and propose ways to build on the research moving forward.

Weekly memos will be graded on a three-tier system. A check (2/3) represents a satisfactory memo that meets all the requirements above. A check-plus (3/3) represents superior work, whereas a check-minus (1/3) represents work that is below expectation.

- *Participation (20%)*

This is a seminar that will rely heavily on class discussion. As a way to encourage student discussion, 20% of your final grade will be based on your participation in class. You do not need to have understood everything but you should be prepared to engage with one another about the course material. I also encourage you to let me know via email if you need to miss class for an excusable or unforeseeable event (e.g., religious observation, sickness, family emergency).

- *Discussion Lead (10%)*

Students will take turns in leading class discussion over the course of the semester. The discussion leader(s) of the week will read all literature memos for that week and note areas of confusion, contention, or discussion. They should use these observations to raise questions and highlight areas of interests as starting points for dialogue. Grades of this component will be based on preparation and organization of discussion points.

- *Article Presentation (10%)*

Students will also take turns in presenting an empirical article from the reading list. Article presentation options appear in the reading list below for each class topic. The presentation will be done in the first person (i.e., as if the presenter actually was the author) and should describe the article and advocate on behalf of its arguments and

evidence. Approach this as if you are presenting your own work at a conference. In 15 minutes, you will highlight the significance of the work, theory and hypotheses, data and methods, results, and broader relevance of the article. The presentation will be followed by Q&A but also a discussion on how to improve presentation skills.

- *Research Proposal (30%)*

This final assignment requires you to identify a puzzle or question that has not been explicitly asked and answered in the course readings. You will make an argument, draw out associated hypotheses, and propose a research design that would be capable of testing your hypotheses. You are encouraged to move beyond the research design stage and actually test your hypothesis, though this is not required.

- I encourage you to meet with me at least once prior to the spring recess to discuss your preliminary ideas for the project. During Week 9 (10/21), everyone will get an opportunity to receive feedback from the class and me regarding their chosen topic for the final project. You will submit a brief one-page plan for the research proposal by October 18th.
- The final two weeks of the course will be set aside for research proposal presentations. You should be prepared to give a 10-15 minute presentation of your proposed research paper, which will be followed by a class discussion. Prior to the presentation, students should circulate a 3-5 page summary of their proposed paper to the class and to me. I do not expect that students will have completed their papers by the time these presentations occur. Rather, these presentations should be viewed as an opportunity to bounce ideas off one another and get constructive feedback before submitting the final paper. The presentation will consist 10% of your final grade; and the written proposal will consist 20% of your final grade. The written proposal should be approximately 15 double-spaced pages (excluding reference pages) and is due December 16th.

Course Policies

Academic Integrity: Cheating, plagiarism, or any other form of academic dishonesty will not be tolerated. Cite others' work appropriately and do not submit others' work as your own. See <https://academicintegrity.buffalo.edu/policies.php> for more information about UB academic integrity policies. Violations will be handled through the appropriate university disciplinary procedures.

Grade Disclosure: All personal information concerning students' performance in this course is governed by federal privacy legislation, known as the Family Educational Rights and Privacy Act of 1974 (FERPA). No grades or status information can be provided to students by telephone or email. All grades will be posted on UBLearn.

Accessibility and Special Needs: If you have a physical or learning disability or other special

need, please contact me within the first two weeks of class so that we can make any necessary arrangements for you. Any information you provide is private and confidential and will be treated as such. You can also contact the Accessibility Resources via <https://www.buffalo.edu/studentlife/who-we-are/departments/accessibility.html> or by calling 716-645-2608.

Health and Counseling Services: You may experience a range of issues that can cause barriers to learning or reduce your ability to participate in daily activities, especially during the pandemic. These might include health concerns, anxiety, high levels of stress, feeling down, alcohol/drug problems, strained relationships, or unwanted sexual experiences. The University provides support in these areas. Please contact the Health Services (716-829-3316), Health Promotion (716-645-2837), and Counseling Services (716-645-2720) if necessary.

Seminar Schedule and Readings

Note that the seminar schedule and readings are tentative and I may modify the course syllabus in order to accommodate student learning preferences or other unforeseeable events.

Week 1 (8/26): Introduction

***Meet at 11am instead of 9:30am.

Week 2 (9/2): No Class (Labor Day)

Week 3 (9/9): Globalized Production and Preferences on Trade

Required:

- In Song Kim, Helen V. Milner, Thomas Bernauer, Iain Osgood, Gabriele Spilker, and Dustin Tingley. Firms and global value chains: Identifying firms' multidimensional trade preferences. *International Studies Quarterly*, 63(1):153–167, 2019
- Grace A. Ballor and Aydin B. Yildirim. Multinational corporations and the politics of international trade in multidisciplinary perspective. *Business and Politics*, 22(4):573–586, 2020
- Soo Yeon Kim. Investment commitments in ptas and mncs in partner countries. *Economics & Politics*, 33(3):415–442, 2021

Articles to be presented:

- Iain Osgood. Globalizing the supply chain: Firm and industrial support for us trade agreements. *International Organization*, 72(2):455–484, 2018

Recommended:

- Sonal S. Pandya. Political economy of foreign direct investment: Globalized production in the twenty-first century. *Annual Review of Political Science*, 19(1):455–475, 2016
- Iain Osgood, Dustin Tingley, Thomas Bernauer, In Song Kim, Helen V. Milner, and Gabriele Spilker. The charmed life of superstar exporters: Survey evidence on firms and trade policy. *The Journal of Politics*, 79(1):133–152, 2017
- Christina Anderer, Andreas Dür, and Lisa Lechner. Trade policy in a “gvc world”: Multinational corporations and trade liberalization. *Business and Politics*, 22(4):639–666, 2020
- Niron Hashai. Sequencing the expansion of geographic scope and foreign operations by “born global” firms. *Journal of International Business Studies*, 42:995–1015, 2011
- Tim Büthe and Helen V. Milner. The politics of foreign direct investment into developing countries: Increasing fdi through international trade agreements? *American Journal of Political Science*, 52(4):741–762, 2008

Week 4 (9/16): Managing Relationships with Host Country Governments

Required:

- Rodolphe Desbordes and Julien Vauday. The political influence of foreign firms in developing countries. *Economics & Politics*, 19(3):421–451, 2007
- Leslie Johns and Rachel L. Wellhausen. Under one roof: Supply chains and the protection of foreign investment. *American Political Science Review*, 110(1):31–51, 2016
- Jieun Lee. How foreign multinationals benefit from acquiring domestic firms with political experience. *The Review of International Organizations*, pages 1–26, 2024

Article to be presented:

- Tarek A. Hassan, Stephan Hollander, Laurence Van Lent, and Ahmed Tahoun. Firm-level political risk: Measurement and effects. *The Quarterly Journal of Economics*, 134(4):2135–2202, 2019

Recommended:

- John M. Mezas. How to identify liabilities of foreignness and assess their effects on multinational corporations. *Journal of International Management*, 8(3):265–282, 2002
- David Leblang. Familiarity breeds investment: Diaspora networks and international investment. *American Political Science Review*, 104(3):584–600, 2010
- Rachel L. Wellhausen. Investor–state disputes: When can governments break contracts? *Journal of Conflict Resolution*, 59(2):239–261, 2015
- Nathan Fagre and Louis T. Wells. Bargaining power of multinationals and host governments. *Journal of International Business Studies*, 13:9–23, 1982
- Ilya Okhmatovskiy. Performance implications of ties to the government and soes: A political embeddedness perspective. *Journal of Management Studies*, 47(6):1020–1047, 2010

Week 5 (9/23): Nonmarket Strategies

Required:

- Ka Zeng, Karen Sebold, and Yue Lu. Global value chains and corporate lobbying for trade liberalization. *The Review of International Organizations*, 15(2):409–443, 2020
- Edmund J. Malesky, Dimitar D. Gueorguiev, and Nathan M. Jensen. Monopoly money: Foreign investment and bribery in vietnam, a survey experiment. *American Journal of Political Science*, 59(2):419–439, 2015
- Mara Faccio. Politically connected firms. *American Economic Review*, 96(1):369–386, 2006

Article to be presented:

- Paul Calluzzo, G. Nathan Dong, and David Godsell. Sovereign wealth fund investments and the us political process. *Journal of International Business Studies*, 48(2):222–243, 2017

Recommended:

- David M. Hart. Why do some firms give? why do some give a lot?: High-tech pacs, 1977–1996. *Journal of Politics*, 63(4):1230–1249, 2001
- Stephen Weymouth. Firm lobbying and influence in developing countries: a multilevel approach. *Business and Politics*, 14(4):1–26, 2012
- Dirk Holtbrügge, Nicola Berg, and Jonas F. Puck. To bribe or to convince? political stakeholders and political activities in german multinational corporations. *International Business Review*, 16(1):47–67, 2007
- Jason W. Ridge, Amy Ingram, and Aaron D. Hill. Beyond lobbying expenditures: How lobbying breadth and political connectedness affect firm outcomes. *Academy of Management Journal*, 60(3):1138–1163, 2017
- Jieun Lee and Jan Stuckatz. Mobilization and strategies: Comparing trade lobbying in the us and canada. *Comparative Political Studies*, 57(2):287–320, 2024

Week 6 (9/30): Globalization Backlash, MNCs, and Global Governance

Required:

- Levy David and Prakash Aseem. Bargains old and new: Multinational corporations in global governance. *Business and Politics*, 5(2):131–150, 2003
- Leslie Johns, Krzysztof J. Pelc, and Rachel L. Wellhausen. How a retreat from global economic governance may empower business interests. *The Journal of Politics*, 81(2):731–738, 2019
- Iain Osgood. Vanguard of globalization: Organization and political action among america's pro-trade firms. *Business and Politics*, 23(1):1–35, 2021

Articles to be presented:

- Edward D. Mansfield and Jon CW Pevehouse. Nationalism, populism, and trade agreements. *International Studies Review*, 24(2):viac016, 2022

Recommended:

- Louise Curran and Jappe Eckhardt. Mobilizing against the antiglobalization backlash: An integrated framework for corporate nonmarket strategy. *Business and Politics*, 22(4):612–638, 2020
- Stefanie Walter. The backlash against globalization. *Annual Review of Political Science*, 24(1):421–442, 2021

- Sabine Pitteloud. Unwanted attention: Swiss multinationals and the creation of international corporate guidelines in the 1970s. *Business and Politics*, 22(4):587–611, 2020
- Edward D. Mansfield and Diana C. Mutz. Us versus them: Mass attitudes toward offshore outsourcing. *World Politics*, 65(4):571–608, 2013
- Erica Owen and Stefanie Walter. Open economy politics and brexit: Insights, puzzles, and ways forward. *Review of International Political Economy*, 24(2):179–202, 2017

Week 7 (10/7): No Class

Week 8 (10/14): No Class (Fall Break)

Week 9 (10/21): Research Proposal Idea Discussion

Week 10 (10/28): MNCs' Impact on Global Trade, Investment, and Tax Regimes

Required:

- Carolina Moehlecke, Calvin Thrall, and Rachel L. Wellhausen. Global value chains as a constraint on sovereignty: Evidence from investor–state dispute settlement. *International Studies Quarterly*, 67(1):sqad007, 2023
- Todd Allee and Clint Peinhardt. Contingent credibility: The impact of investment treaty violations on foreign direct investment. *International Organization*, 65(3):401–432, 2011
- Scott D. Dyreng and Bradley P. Lindsey. Using financial accounting data to examine the effect of foreign operations located in tax havens and other countries on us multinational firms' tax rates. *Journal of Accounting Research*, 47(5):1283–1316, 2009

Article to be presented:

- Ryan Brutger. Litigation for sale: private firms and wto dispute escalation. *American Political Science Review*, pages 1–18, 2018

Recommended:

- Jeheung Ryu and Randall W. Stone. Plaintiffs by proxy: A firm-level approach to wto dispute resolution. *The Review of International Organizations*, 13:273–308, 2018
- J. Bradford Jensen, Dennis P. Quinn, and Stephen Weymouth. The influence of firm global supply chains and foreign currency undervaluations on us trade disputes. *International Organization*, 69(4):913–947, 2015
- Raquel Alexander, Stephen W. Mazza, and Susan Scholz. Measuring rates of return on lobbying expenditures: An empirical case study of tax breaks for multinational corporations. *JL & Pol.*, 25:401, 2009

- Quan Li. Democracy, autocracy, and tax incentives to foreign direct investors: A cross-national analysis. *The Journal of Politics*, 68(1):62–74, 2006
- Brian Kelleher Richter, Krislert Samphantharak, and Jeffrey F. Timmons. Lobbying and taxes. *American Journal of Political Science*, 53(4):893–909, 2009

Week 11 (11/4): Protection of the Environment, Labor, and Human Rights

Required:

- Ka Zeng and Josh Eastin. International economic integration and environmental protection: The case of china. *International Studies Quarterly*, 51(4):971–995, 2007
- Shannon Lindsey Blanton and Robert G. Blanton. What attracts foreign investors? an examination of human rights and foreign direct investment. *The Journal of Politics*, 69(1):143–155, 2007
- Edmund J. Malesky and Layna Mosley. Chains of love? global production and the firm-level diffusion of labor standards. *American Journal of Political Science*, 62(3):712–728, 2018

Article to be presented:

- Sonal S. Pandya. Labor markets and the demand for foreign direct investment. *International Organization*, 64(3):389–409, 2010

Recommended:

- Amanda Kennard. The enemy of my enemy: When firms support climate change regulation. *International Organization*, 74(2):187–221, 2020
- Elena V. McLean and Randall W. Stone. The kyoto protocol: Two-level bargaining and european integration. *International Studies Quarterly*, 56(1):99–113, 2012
- Claire Bright, Axel Marx, Nina Pineau, and Jan Wouters. Toward a corporate duty for lead companies to respect human rights in their global value chains? *Business and Politics*, 22(4):667–697, 2020
- Patrick Bayer and Johannes Urpelainen. It is all about political incentives: Democracy and the renewable feed-in tariff. *The Journal of Politics*, 78(2):603–619, 2016
- Simon Pek, Chang Hoon Oh, and Jorge Rivera. Mnc foreign investment and industrial disasters: The moderating role of technological, safety management, and philanthropic capabilities. *Strategic Management Journal*, 39(2):502–526, 2018

Week 12 (11/11): Innovation, Technology, and Global Competition

Required:

- Byungchae Jin, Francisco García, and Robert Salomon. Inward foreign direct investment and local firm innovation: The moderating role of technological capabilities. *Journal of*

International Business Studies, 50:847–855, 2019

- Andreas Dür and Christoph Mödlhamer. Power and innovative capacity: Explaining variation in intellectual property rights regulation across trade agreements. *International Interactions*, 48(1):23–48, 2022
- L. Kamran Bilir. Patent laws, product life-cycle lengths, and multinational activity. *American Economic Review*, 104(7):1979–2013, 2014

Article to be presented:

- Iain Osgood and Yilang Feng. Intellectual property provisions and support for us trade agreements. *The Review of International Organizations*, 13:421–455, 2018

Recommended:

- Kenneth C Shadlen, Andrew Schrank, and Marcus J. Kurtz. The political economy of intellectual property protection: The case of software. *International Studies Quarterly*, 49(1):45–71, 2005
- Ashish Arora, Sharon Belenzon, and Lia Sheer. Knowledge spillovers and corporate investment in scientific research. *American Economic Review*, 111(3):871–898, 2021
- Daron Acemoglu and Ufuk Akcigit. Intellectual property rights policy, competition and innovation. *Journal of the European Economic Association*, 10(1):1–42, 2012
- Heather Berry. Internationalizing firm innovations: The influence of multimarket overlap in knowledge activities. *Journal of International Business Studies*, 51(6):963–985, 2020
- Wen-Tai Hsu, Raymond G. Riezman, and Ping Wang. Innovation, growth, and dynamic gains from trade. Technical report, National Bureau of Economic Research, 2019
- Andrew Mertha and Robert Pahre. Patently misleading: Partial implementation and bargaining leverage in sino-american negotiations on intellectual property rights. *International Organization*, 59(3):695–729, 2005

Week 13 (11/18): Geopolitics, Wars, and Trade Wars

Required:

- Anton Malkin. The made in china challenge to us structural power: Industrial policy, intellectual property and multinational corporations. *Review of International Political Economy*, 29(2):538–570, 2022
- Rachel L Wellhausen and Boliang Zhu. Exiting russia
- Mariya Grinberg. Wartime commercial policy and trade between enemies. *International Security*, 46(1):9–52, 2021

Article to be presented:

- Ka Zeng, Yingjie Xu, and Zhenzhen Xie. Local sourcing embeddedness, manufacturing relocation, and firm attitudes toward the us-china trade war: A survey analysis of china-based mnc subsidiaries. *Business and Politics*, 25(2):91–116, 2023

Recommended:

- Mark A Cohen and Philip C Rogers. When sino-american struggle disrupts the supply chain: licensing intellectual property in a changing trade environment. *World Trade Review*, 20(2):238–257, 2021
- Elena V. McLean and Taehee Whang. Friends or foes? major trading partners and the success of economic sanctions. *International Studies Quarterly*, 54(2):427–447, 2010
- Alexandra O. Zeitz. Emulate or differentiate? chinese development finance, competition, and world bank infrastructure funding. *The Review of International Organizations*, 16(2):265–292, 2021
- Minghao Zhao. Is a new cold war inevitable? chinese perspectives on us–china strategic competition. *The Chinese Journal of International Politics*, 12(3):371–394, 2019
- Christina L. Davis and Sophie Meunier. Business as usual? economic responses to political tensions. *American Journal of Political Science*, 55(3):628–646, 2011
- Ka Zeng. “exit” vs. “voice”: Global sourcing, multinational production, and the china trade lobby. *Business and Politics*, 23(2):282–308, 2021

Week 14 (11/25): No Class (Thanksgiving Week)

Week 15 (12/2): Research Proposal Presentations 1

Week 16 (12/9): Research Proposal Presentations 2