AIM OF THE COURSE
The course main objectives are: to provide an opportunity for students to acquire advanced knowledge in international investment, to introduce the phenomenon of long-term capital investments in-depth knowledge in offshoring projects. This course develops following critical economic issues—FDI, productivity, growth, and offshoring that provide a complex look at the globalization of capital investments. The course gives the broad view on various aspects of foreign direct investment with the special attention to offshoring investment. This course is designed for BA students.

MAIN ISSUES
The lecture examines the impact of nation’s economic advantages and identifies opportunities for investors to localize their businesses around the world. The course offers suggestions and facts to assist the understanding of the potential of the emerging markets as a investments locations and draws special attention to the size of the global talent pool, how to choose an offshore location, and how to interpret the implications of offshoring for the economy.

COURSE SYLLABUS

MODULE I – Macroeconomic aspects (8h)

1. Global capital flows
2. FDI trends, structure and location factors in global economy
3. Understanding the essence of offshoring
4. Attractiveness for offshoring investments

The first section looks at the potential magnitude and pace of FDI and offshoring, concluding that international investment flows are inevitable consequences of globalization. This section considers all trade-offs that can make to maximize the opportunities from relocations. It also examines who wins in offshoring.
MODULE II - Microeconomic aspects (8h)

5. Recognizing determinants of global sourcing
6. Key factors driving offshoring
7. Understanding the challenges and opportunities of offshoring processes (BPO/IT/KPO)

The second module explores the theme of local factors at the industry (in manufacturing and services) level and the enforcement of those factors as a means of driving offshoring investments. Following questions will be focused on: Why do companies relocate their activities? What drives offshoring? What factors should companies (in particular industry) consider in choosing an offshoring location?

MODULE III – Practical abilities (case studies) (4h)

The last module of the course provides students with practical knowledge of Business Process Outsourcing, their conceptions, design and successful implementation, with a sound basis of regional advantages and corporate decision determinants (module I and module II) as fundamental.

(a) Case studies

The aim of the case studies is the practical application of knowledge learned during the lectures. Students will receive hard copies of all READING MATERIALS. The license will depend on the number of students and will be purchased by the lecturer from Harvard Business Publishing.

The PowerPoint presentation of each project will be the final stage of the workshop. Each presentation will be followed by questions and comments raised by lecturer and students.

I. OFFSHORING OF AMERICA

1. ASSIGNMENT: Recognize the challenges of offshoring in selected regions: Mexico, China, India - SWOT analysis.
2. QUESTIONS FOR DISCUSSION
   a. What are advantages and disadvantages of selected regions for companies?
   b. Describe benefits and losses from offshoring. What is the most important success factor of offshoring on firm level?
   c. Analyze the offer of the selected regions to American business. May they offer the same to the European companies?


II. WILL YOU SURVIVE THE SERVICE REVOLUTION?

1. ASSIGNMENT: Design the strategy of offshoring for company taking into account the complexity of processes.

1 The license will depend on the number of students and will be purchased by the lecturer from Harvard Business Publishing.
2. QUESTIONS FOR DISCUSSION
   a. Identify the ways of changes in service industries. Does the business face with the challenges of the service revolution?
   b. Describe winners and losers of the service revolution. Why is it difficult to record benefits?


III. THE IMPACT OF TECHNOLOGY ON COST IN BUSINESS PROCESS OUTSOURCING

The Complete Business Process Outsourcing Cost Picture

1. ASSIGNMENT: Identify and discuss the possibilities of reducing cost in manufacturing and/or service business on the basis of technology development.

2. QUESTIONS FOR DISCUSSION
   a. How are costs of modern business divided?
   b. How may technology help to reduce the cost of business?
   c. Are there any driving forces in terms of the technology in offshoring global business?


BIBLIOGRAPHY

Main Texts


Optional Papers/Textbooks


Reports


LEARNING OUTCOME

At the end of the course, students are expected to:

- understand the theory of Investment Development Path as an explanation of the FDI role in country development
- understand the role of FDI and offshoring in the global economy
gain competency in properly assessing emerging economy from the point of view foreign investor

TEACHING METHODS

The course is a combination of lectures, group work done as homework, which are case studies (on the basis of the papers) prepared for a discussion.

PREREQUISITES

NONE

EXAMINATION METHODS

- 10% - activity (discussion/problem settings during the course)
- 40% - case studies, presentations in-class
- 50% - final exam

GRADING SCALE

On demand of the University

Eliza Chilimoniuk-Przeździecka, Ph.D.

Assistant Professor, Institute of International Economics,
Warsaw School of Economics (SGH).

She is graduated in International Economics (SGH, 2001) and she holds Ph.D. in Economics (SGH, 2006). In 2004 she awarded European Commission Marie-Curie Fellowship and she has been participating in the International Doctorate in Economic Analysis at the University Autonoma in Barcelona. She was a Fulbright Visiting Scholar at Duke University (2013-2014) and conducted research project under auspices of the Offshoring Research Network.

Her research interests refer to liberalization in international trade, foreign direct investment and offshoring. Currently, her research projects concentrate on global sourcing of innovation.