ugba 196-1
Doing Business in Asia
Summer A 2012 (3 units)

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Class Meets
Four pre-trip meetings, 2 hours each in April 2012
At Haas School t/b/a
May 13 to June 1: Travel study: Special schedule
There is no final exam for this course.

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Course Objectives

When you have completed this course you will

- Understand the issues that US business people must address when doing business in the People’s Republic of China (PRC)
- Know basic business protocol for conducting business in China
- Know the complexities of the relationship between PRC and the Hong Kong Special Administrative Region (SAR)
- Understand the basics of the legal system in China
- Learn how US multinationals operate in Asia
- Have observed of manufacturing in China
- Know how to prepare for international business travel.

Pre-requisites

- ugba-10 Principles of Business (may be in-progress, Spring 2012), or
- Demonstrated equivalent preparation and consent of instructor.

Texts

Required: Doing Business in China, Chris Torrens, The Economist (Wiley), 2010
Course Format

This is a three-unit course. There are 4 meetings on-campus and then nearly three weeks in Asia. Travel study involves both formal learning in lectures, and experiential learning. A three-unit course means 45 contact hours of instruction, and an expectation of 90 hours of independent reading, studying and preparation.

Firm Presentations

The travel itinerary and firm presentation schedule will be posted on the course website. There will be more than a dozen firm presentations over these five cities: Hong Kong, Shenzhen, Suzhou, Shanghai and Beijing.

Policies

*Attendance.* You will be receiving academic credit for this course, and so your attendance at scheduled professional activities is required. However, international travel can be grueling and you may need time to recuperate. During the three weeks in Asia, you may take one day off without affecting your grade. Good communication is important: please be clear about your plans and don’t vaguely fail to appear as scheduled.

*Punctuality.* No one likes being regimented. But the smooth conduct of our program depends on following a reasonable schedule. Please demonstrate your professionalism by meeting the group promptly at designated times on the schedule. If you are not ready, you may be left behind.

*No “in loco parentis”:* Your instructor’s job is to organize the trip, and to present you with information. But the instructor does not serve in a parental role—you must be responsible for your own conduct. Please guard your valuables and passport carefully, and take care of your luggage when it is not checked-in for transportation. If you leave the group for independent sightseeing and recreation, please be responsible: take a buddy with you and to let someone else in the group know where you are going.

*Independent work:* You may discuss your ideas with anyone in or outside the course until you start writing. Once you begin to write the work must be solely your own and you must not use anyone else to edit your work.

*Method of submission:* Printing off very many long papers from e-mail is a chore. Please submit your paper as a hard copy unless you have permission from the instructor for e-mail delivery.

*Additional rules of conduct:* Summer School has extensive additional rules for your conduct while away from Berkeley. These are no more than common sense and courtesy and you should have no difficulty in complying with them.
BASIS FOR FINAL GRADE

There are two components to your final grade:

Class participation 40 percent
Term paper 60 percent
Total 100 percent

Class participation Your Class Participation grade is a subjective grade, competitively assessed comparing you with the best people in the class. You can maximize your score by participating in firm presentations, in discussions of what we’ve seen and by participating in the administration of the course.

1. Firm visits: The professionals who are presenting to you in China will make a substantial sacrifice in their own work-days to host and address our group. The presentations will be much more worthwhile if you are actively engaged and ask good questions. Good questions are those which:
   - Are well-timed
   - Follow logically from the presentation or previous discussion
   - Don’t rehash material that has already been covered
   - Avoid sensitive issues such as personal income, politics or religious belief
   - Are rotated through different group members.

2. Additional discussion: We will schedule several opportunities for informal discussion to review what we’ve seen and integrate it into our formal learning from on-campus courses. You lose credit if you haven’t read the texts and are unable to integrate reading with your experience. You gain credit if you ask for further explanation.

3. Course administration: Successful travel study involves co-operation and hard work. In addition to your active participation during presentations, your CP grade depends on your prompt and courteous participation in the group programs, and your ability to maintain a good sense of humor if there are any glitches in the travel arrangements. Consideration for other people in the group is a virtue. There will be many opportunities to show your commitment to the group by assisting with the logistics of our trip.

4. Giving thanks on behalf of the group: Part of the expectation for your Class Participation is that you will take your turn to make a semi-formal speech of thanks to a firm when we visit. You’ll get coaching on how to do this.
**Term paper** There is one “deliverable” in this course. You are to write “long answer” responses to any **five** of the six questions shown on the following page.

Your answer to each question will be three or four pages long. The format should be 12-point serif font (e.g. Garamond or Book Antiqua), single-spaced within paragraphs, double-spaced between. That is, your work should look like this syllabus. Please staple your work, top-left and don’t use any type of binder or cover.

You will be graded on your analysis, your structure and logic flow, your business use of English and readability. You will lose points for rambling (lack of structure) deviations from professional use of English, or failure to follow the correct format. For each question, you should attempt to bring specific observations from your experience in Asia into your work, and integrate the concepts from the textbooks. You get more credit if you are able to include observations from very many firm visits as opposed to several quotes from one professional. You should do some reasonable research to back up any assertions you make. For example, if you mention the differences in GDP per capita, you should quote exact figures and footnote your sources.

The business environment in PRC involves many nuances and paradoxes; the best papers will be those that elucidate these contradictions and explain how they are held in balance.

**Due date:** You may have additional travel plans this summer, so there are some options for when you complete the work:

- **Option A:** Submit by July 1  Your grade will be recorded for Summer A, 2012
- **Option B:** Submit by August 8  Your grade will briefly show as Incomplete (see below, you need a petition to clear) for “first summer” but your grade will be recorded during Summer School, 2012.

**Delivery:**  
Dr. David Robinson, Haas School of Business, Mail Code 1900  
UC Berkeley, Berkeley, CA 94720-1900 USA  
*Please send a confirming e-mail and get a acknowledgement of receipt from me.*
1. PRC has very weak enforcement of intellectual property (IP) protection. How has this affected the development of business in PRC? How can American firms sell books, movies and other entertainment successfully in an environment of rampant piracy?

2. Until about 8 years ago, almost no PRC family owned a private car. Now approximately 1 in 10 families in major cities has an automobile and traffic is already log-jammed. How have different cities approached the task of moving people from home to work? What works and what doesn’t? What would happen if car ownership in PRC rose to California levels (about 1 car per person).

3. Some American members of Congress claim that PRC has artificially boosted trade by holding the value of the Yuan (Renminbi) artificially low. What evidence did you see to support or refute this (based on prices paid for things that you bought in China). What is the effect of the Yuan/Dollar exchange rate on US-China trade? What is its effect on the standard of living of workers in PRC?

4. A recent report on China commented that the Communist Party of the People’s Republic of China was “Marxist in name only.” Indeed, PRC often looks like a bustling emerging economy that has fully embraced market capitalism. What evidence is there of the Communist Party in China, and how should the paradox of a thoroughly capitalist communist state be resolved? What will the next few years hold in store?

5. If you hadn’t been on this trip, you might think that “low wages” was the sole competitive advantage of Chinese manufacturing firms. But there’s more to the story than that. Why are Asian firms very good at making things in a mass production model? Are there any limitations that you observe on the outsource-manufacturing model?

6. Americans are usually well-intended, optimistic and open to other cultures. Or at least that’s how they see themselves. What common mistakes do travelers from the US make in Asia? What are the most important cultural differences that you would want to explain to an American colleague who was making her/his first trans-Pacific business trip?