

UNIVERSITY OF ECONOMICS - VARNA
MASTER DEGREE CENTER
DEPARTMENT OF GENERAL ECONOMIC THEORY

Adopted by the FC (record №/ date):

Adopted by the DC (record №/ date): №8/28.02.2020

ACCEPTED BY:

Dean:

(Assoc. Prof. Hr. Blagoycheva, PhD)

SYLLABUS

SUBJECT: TRANSNATIONAL CORPORATIONS AND THE WORLD ECONOMY

DEGREE PROGRAMME: International Business and Management; MASTER`S DEGREE

YEAR OF STUDY: 5; SEMESTER: 10

TOTAL STUDENT WORKLOAD: 240 hours; incl. curricular 60 hours

CREDITS: 8

DISTRIBUTION OF STUDENT WORKLOAD ACCORDING TO THE CURRICULUM

<i>TYPE OF STUDY HOURS</i>	WORKLOAD, hours	TEACHING HOURS PER WEEK, hours
CURRICULAR: incl. <ul style="list-style-type: none">• LECTURES• SEMINARS / LAB. EXERCISES	30 30	2 2
EXTRACURRICULAR	180	-

Prepared by:

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I. ANNOTATION

The “Transnational Corporations and the World Economy” course deals with one of the most important aspects of contemporary economic development – the activity of TNCs. In the era of globalization they are one of the main agents of the world economy and the driving force of the process of globalization (UNCTAD). The discipline analyses the nature of FDI and TNCs, their causes and consequences. It includes three groups of problems. The first is the definitional one: defining the TNC, the relationship between FDI and TNC, classification of TNC, indicators, measuring the transnationalization of the world economy. The second group of problems focuses on the economics of TNC and deals with the international production of TNC, TNC and international trade, international intra-firm trade and transfer pricing of TNC. Finally, the effects of FDI and forms of control over TNC activity are discussed. Special attention is paid to FDI and TNC in the Bulgarian economy. As a result of the course students will be able to understand the reasons for the rapid internationalization of business activities, its current scope, forms and peculiarities as well as its consequences for the world economy. They will learn to assess critically the on-going process of globalization and economic activity of TNCs.

II. THEMATIC CONTENT

№	TITLE OF UNIT AND SUBTOPICS	NUMBER OF HOURS		
		L	S	L.E.
Theme 1. INTERNATIONALIZATION AND ECONOMIC GLOBALIZATION		4	2	
1.1.	The nature and preconditions of the globalization of the economy. Stages of globalization. The Theoretical and empirical discourse.			
1.2.	Consequences and contradictions of the economic globalization.			
1.3.	The role of TNC in the process of globalization.			
Theme 2. TNC – ECONOMIC AGENT OF THE WORLD ECONOMY		4	4	
2.1.	Definition of TNC and its main characteristics. TNC v/s MNC. Classification of TNC.			
2.2.	TNC and foreign direct investment (FDI). FDI and portfolio investment.			
2.3.	Emergence and maturing of TNC: a historical overview.			
2.4.	Measuring the transnationalization of the world economy.			
Theme 3. THE MOTIVES FOR FOREIGN PRODUCTION		2	2	
3.1.	Objectives of the export of capital in the form of FDI.			
3.2.	Main types of FDI.			
3.3.	New determinants of FDI in the era of globalization.			
Theme 4. THEORETICAL APPROACHES FOR THE EXPLANATION OF TNC		2	2	
4.1.	Early theories about FDI and TNC.			
4.2.	The internalization theory of A. Rugman.			
4.3.	The eclectic paradigm of J. Dunning.			
4.4.	New theories about FDI and TNC.			
Theme 5. THE INTERNATIONAL PRODUCTION OF TNC		2	4	
5.1.	TNC and the international division of labor. International intra-firm division of labor.			
5.2.	Strategies of TNC for the organization of international production.			
5.3.	International production and the efficient allocation of resources.			
Theme 6. TNC AND INTERNATIONAL TRADE		2	2	

6.1.	FDI and international trade: compliments or substitutes?			
6.2.	The impact of TNC on international trade.			
6.3.	TNC and international trade of a selected country: the case of U.S.			
Theme 7. INTERNATIONAL INTRA-FIRM TRADE OF TNC		4	4	
7.1.	Definition and preconditions of international intra-firm trade.			
7.2.	Factors, influencing international intra-firm trade.			
7.3.	The role of intra-firm trade in international trade. The problem of measurement.			
Theme 8. TRANSFER PRICING WITHIN TNC		4	4	
8.1.	Transfer prices as an instrument of internal corporate management.			
8.2.	Methods of transfer pricing.			
8.3.	The specific nature of transfer prices in TNC. Motives for the manipulation of international transfer prices.			
8.4.	Empirical assessment of transfer pricing practices in TNC. Consequences and forms of national and international control.			
Theme 9. REGULATION OF TNC		2	-	
9.1.	International regulation of FDI and TNCs.			
9.2.	Regional regulation (EC).			
9.3.	National regulation of FDI and TNCs.			
Theme 10. EFFECTS OF THE INTERNATIONAL ACTIVITIES OF TNC		2	4	
10.1.	Effects of TNC on international economic relations.			
10.2.	Host countries effects.			
10.3.	Home countries effects.			
10.4.	TNCs and the problems of developing countries.			
Theme 11. FDI AND TNC IN BULGARIA		2	2	
11.1.	Motives for the import of FDI in Bulgaria.			
11.2.	The volume and dynamics of FDI imports. Industry and geographical distribution.			
11.3.	The importance of FDI for the Bulgarian economy.			
11.4.	The policy towards FDI in Bulgaria: current trends.			
Total:		30	30	

III. FORMS OF CONTROL:

№	TYPE AND FORM OF CONTROL	Number	Extra-curricular, hours
1.	Midterm control		
1.1.	Project (on a predefined theme)	1	60
1.2.	Test (mixed questions)	1	40
1.3.	Test on separate themes	-	
1.4.			
Total midterm control:		2	100
2.	Final term control		
2.1.	Written exam on a specific theme + test	1	80
Total final term control:		1	80
Total for all types of control:		3	180

IV. LITERATURE

REQUIRED (BASIC) LITERATURE:

1. Dunning, J.H. and S. M. Lundan, Multinational enterprises and the global economy, L., Addison-Wesley, 2nd., 2008 (textbook) – university library
2. Ietto-Gillies, G., TNC and International Production (Concepts, Theories and Effects), E. Elgar, 2nd ed., 2012
3. Buckley, P., Globalization and the Global Factory, E. Elgar, 2011, 633 p.
4. Forsgren, M., Theories of the Multinational Firm: A Multinational Creature in the Global Economy, E. Elgar, 2nd ed., 2013
5. Dicken, P., Global Shift, 7th ed., 2015
6. UNCTAD, World Investment Report, 2018, 2019
7. Current publications in: *The Journal of World Business*, *International Business Review*, *Harvard Business Review*, *TNC*, etc.

RECOMMENDED (ADDITIONAL) LITERATURE:

1. Hill. Ch., International Business, 9th ed., 2012
2. Caves, R., Multinational Enterprises and Economic Analysis, Cambridge Univ. Press, 3d ed., 2007
3. Rodrick, D., The Globalization Paradox, 2011
4. Michie. J. (ed.), The Handbook of Globalization, 2011, 2nd ed., E. Elgar, Part III: “Transnational Corporations” – university library
5. Rugman, A. and T. Brewer (eds.), The Oxford Handbook of International Business, Oxford Univ. Press, 2003
6. MN production: data and stylized facts, *American Economic Review*, May 2015
7. Organizing the global value chain, *Econometrica*, vol. 18, N 6, 2013
8. The margins of MN production and the role of intra-firm trade, *Journal of Political Economy*, N 1, 2013

9. Tax havens and the production of offshore FDI: an empirical analysis, *Journal of Economic Geography*, vol. 15, N 1, 2015
10. The (Reinvigorating) role of FDI after the crisis, *Journal of East-West Business*, July 2018
11. UNCTAD, Trade and Development Report, 2015, 2018, 2019.

All books above are available at the University Library.