

INTERNATIONAL SEMINAR - EMBA COLUMBIA UNIVERSITY

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Buenos Aires, Argentina

This course is an in depth examination of Latin America's economy, finances and corporate behavior and performance. It involves both an academic and on-site learning experience. Learning and value acquired from this course is based on class discussion and the experience of visiting firms in Buenos Aires, Argentina, a sensational emerging market. It is also a case study bringing together several key disciplines of the EMBA program.

Requirements and Grades

Textbooks:

- 1) Beatriz Armendariz and Felipe Larrain, **The Economics of Latin American Development**, MIT Press, 2017 (ISBN-10: 0262533154 ISBN-13: 978-0262533157)
- 2) Mauricio Rojas, **The Sorrows of Carmencita**, TIMBRO, 2002 (ISBN-91-7566-529-8)

You will need to read/skim the books prior to the trip. Rojas needs to be read in its entirety. It is a brief and entertaining history of Argentina.

Grades and Requirements

There will be five class sessions held in Buenos Aires, Argentina.

The class grade will consist of three parts:

- 30% class participation
- 40% from a final take home exam due a few weeks after return to the USA. The final will be a two page submission on an issue we encounter while in Argentina.
- 30% representing cases which will be discussed in class. (Cases will not be handed in or written up).

Presentations: During the week students will make class presentations based on the cases. The case discussion will be led by students on a volunteer basis.

An additional part of the grade will be based on the student's mastery of the key micro and macro issues affecting business in emerging markets, participation in class and Q&A during company visits.

Students should follow the economic/financial news regarding Latin America. Materials can be posted that are relevant and for the whole class to read.

Lectures, Readings and Schedule

Session 1: Overview of Emerging Markets and Key Concepts

Class lecture and discussion
Historical Overview of Latin America
Economic Review: Colonialism, mercantilism, state finance, free markets
The relationship between the USA and Latin America

Emerging Markets Macroeconomics: Key concepts
What's in and out in Emerging Markets finance
Globalization and its impact in the region
What you should know about the IMF: Jargon, rules and economics of IMF Programs
Sovereign credit ratings and spreads

Readings:
A&L: Chapters 1 through 3
World Bank, "A better investment climate –for everyone", World Development Report
IMF, IMF Financial Activities, 2017
IIF, Capital Flows to Emerging Market Economies, June 2017
[International Economics, 2. Economic Growth, Convergence, and Trade](#)

Session 2: Continuation of Overview- Why is Latin America behind in economic development and growth?

Class lecture and discussion
What generates growth?
Role of savings. Pension funds in Latin America
Institutional arrangements that promote growth
Human capital development: The new frontier

Why is economic growth relevant in EM's.
Technology, research and economic growth
Product innovation

Readings:
A&L: Chapters 4, 5, 6

Session 3: What happened in Argentina 1990-2018?

Class lecture and discussion
Economic history and development
Income distribution
Discussion of business environment, major firms, banks and economic geography
Can the Chilean economic model be a guide for Argentina?

Readings:
Rojas: Complete
A&L: Chapters 8, 9, 10

Case:

Session 4: Comparison of East Asia and Latin America

Class lecture and discussion

Comparison at different points in time: 1950, 1970, 1990, 2010, 2015

Why such different outcomes?

What is likely to happen going forward?

An international corporate comparison: Hyundai and YPF .

Latin corporates of the future: Arcor, LAN Airlines and Natura Cosmetics.

Readings:

A&L: Chapters

[Emerging Giants: Building World-Class Companies in Developing Countries](#)

Tarun Khanna; Krishna G. Palepu

[Want People to Save? Force Them.](#) Dan Ariely

Case:

Session 5: Conclusions on conducting business in Emerging Markets

Class lecture and discussion

Country Risk

Setting country limits and managing cross border exposure.

Economic and financial vulnerabilities

Currency fluctuations: Devaluations and depreciations of the ER

Investing In Latin America

Investor base: Bankers, asset managers, corporate investors, etc.

Readings:

A&L: Chapter 12

[A Technical Note on Angel Investing in Emerging Markets](#) Peter Rodriguez

Case:

Relevant Internet Sites in English for Emerging Markets and Latin America news and reading

www.americaeconomia.com

www.latintrade.com

www.imf.org

www.worldbank.org

READINGS

Emerging Giants: Building World-Class Companies in Developing Countries

Tarun Khanna; Krishna G. Palepu

Product #:R0610C-PDF-ENG

A Technical Note on Angel Investing in Emerging Markets

Peter Rodriguez

Product #:UV1001-PDF-ENG

International Economics, 2. Economic Growth, Convergence, and Trade

Product #:BEP230-PDF-EN

Want People to Save? Force Them.

Dan Ariely

Product #:F1009G-PDF-EN

INVESTORS ALWAYS COME BACK ... EVEN TO ARGENTINA

Justin Fox

HBR Web Article Publication Date: Jun 26, 2014

Product #: H00VUR-PDF-ENG

CASES

1.2016 UPDATE: ARGENTINA TURNS THE PAGE

David E. Bell; Forest Reinhardt; Natalie Kindred

HBS Publication Date: May 11, 2016 Product #: 716077

2.MEDIA MARKETS DOWN SOUTH: GOLDMAN SACHS' INVESTMENT IN GRUPO CLARÍN

Rafael Di Tella; Jose Liberti; Sarah McAra

HBS Publication Date: Jul 21, 2017 Product #: 718007

3.ARGENTINA AND THE VULTURE FUNDS

Michael Moffett

Thunderbird School of Management Publication Date: Jul 8, 2015 Product #: TB0395

4.BREAKING BAD (THE RULES): ARGENTINA DEFAULTS, INFLATES (AND GROWS), 1997-2015

Rafael Di Tella; Fernanda Miguel

HBS Publication Date: Dec 4, 2013 Product #: 714036