

OIBUSY24 – Country Risk Management

Professor: Anna DIMITROVA, PhD

Contact information:

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Department: International affairs

Semester: 2

Course level: L3 Undergraduate

Domain: International Business and Strategy

Teaching language: English

Number of in-class hours: 33

Number of course sessions: 10 + Exam

ECTS: 6

Course description and objectives

The goal of this course is to provide students with the concepts and analytical tools, which will allow them to identify, analyze and assess current and emerging economic, (geo)political, environmental, technological and societal risks impacting today's global business environment and multinational companies. The course is divided into three main parts. The first part is focused on defining "country risk" and its main components studied through the lenses of PESTEL (PEST) and STEP models and a series of case studies of foreign companies' strategies to handle various risks in selected host countries. The second part explores different methods of country risk analysis (CRA) and country risk assessment companies, as well as country risk mitigation strategies. The third and final part provides an overview of country risk in selected countries and regions in Sub-Saharan Africa (SSA), Middle East and North Africa (MENA), Latin America and South-East Asia.

Prerequisites

Not compulsory, but it would be helpful to have notions related to International Business, Global Strategy and Strategic Management.

Learning outcomes

By the end of this course, students should be able to:

- 1) Identify and analyze various risks companies should take into account and deal with when investing in a foreign country;
- 2) Conduct a country risk analysis (CRA) of a target country that a selected company would like to invest in by using qualitative and quantitative methods, including the creation of a project risk matrix;
- 3) Identify appropriate risk management tools and strategies, which companies could put in place in order to hedge against country risk, especially when doing business in high-risk countries and regions.

Assignments and grading

50 % - Group work based on a selected case study of a company that invested in a country at risk and how it managed country risk. Detailed case study Instructions will be provided to students separately. This group grade will be individually weighed (or not) by assigning a bonus point (+1) to students who have actively participated in the course.

50% - Individual final exam based on short essay questions related to concepts and topics discussed in the lectures.

The numerical grade distribution will dictate the final grade. The passing grade for a course is 10 out of 20.

Class participation: Active class participation – this is what makes classes lively and instructive. Come on time and be prepared to discuss course-related readings (given by the lecturer in advance). Class participation is based on quality of comments, not quantity.

Exam policy: During the final exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

Course structure

Session	Topic
1	Defining “country risk”, “cross-border risk” and country risk management. Focus on economic and financial risk factors
2	Political and geopolitical risks: case studies (the “Lafarge affair” in Syria and Areva/Orano employees’ kidnapping in Niger)
3	Geopolitical risks and global supply chain management: a case study of Maersk Alabama hijacking.
4	Cyber risks and business information security
5	Societal and environmental risks
6	Country risk analysis (CRA) qualitative and quantitative methods and CRA assessment companies
7	Project risk matrix. Risk mitigation strategies
8	Country risk overview of the Sub-Saharan Africa region: CRA of selected countries
9	Country risk overview of the MENA region: CRA of selected countries
10	Country risk overview of Latin America and South-East Asia: CRA of selected countries
11	Final Exam

Bibliography

- Bouchet, M., Fishkin, Ch. & Goguel, A. (2018), *Managing Country Risk in an Age of Globalization: A Practical Guide to Overcoming Challenges in a Complex World*, Palgrave Macmillan.
- Bouchet M., Clark, E. and Gros Lambert, B. (2003), *Country Risk Assessment: A Guide to Global Investment Strategy*, Wiley Finance.
- Top Risks (2024), The Eurasia Group.
- The Global Risks Report (2024), World Economic Forum.
- Wagner D. (2012), *Managing Country Risk: A Practitioner’s Guide to Effective Cross-Border Risk Analysis*, Taylor & Francis Group.

Lecturer’s biography

Anna Dimitrova is a Professor in International Business at the Department of Strategy, Entrepreneurship and International Business at ESSCA School of Management in Paris. She has been teaching undergraduate and postgraduate courses in Country Risk Management, International Business, International Trade, and Geopolitics and International Relations. Her teaching and research activities are on the intersection of geopolitics and international business and focus on country risk analysis and foreign direct investment (FDI), especially the impact of political risk on FDI in fragile and conflict-affected countries. She is the author of several books, book chapters and peer-reviewed articles that have been published in top-tier academic journals such as the *International Business Review*, *Management Learning*, *Journal of Common Market Studies*, *Multinational Business Review*, *Management Decision*, and others. She is an active member of several academic organizations, namely the Academy of International Business (AIB), the European Academy of International Business (EIBA) and the CIFE (Le Centre International pour la Formation Européenne).

Moodle

This course is on Moodle: **Yes**

Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contribute to the output produced by that group.