

Government of the Russian Federation

State budgetary higher education unit

**National Research University –
Higher School of Economics**

World Economy and World Politics Faculty

Course Syllabus and Description

**Economic and Regulatory Conditions for Foreign Companies Operating on
the Markets of Regional Integration Groups**

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Pre-requisites:

- basic economic knowledge (Microeconomics-1, Macroeconomics-1, International Economics);
- knowledge of institutions and decision-making process in main regional integration groups;
- basic knowledge of EU law and legal framework of other region unions;
- knowledge of EU major policies;
- 2-3 years of Bachelor studies on related issues will meet the requirements.

Course objectives:

In recent decades leading Russian companies began to enter external markets using foreign direct investments and taking control of foreign enterprises. EU market is the most popular foreign market for Russian capital. However, nowadays relations between Russia and the EU are developing in new circumstances and business operations will take place in absolutely new environment. Russian companies have to take into account new challenges of doing business in EU. And some of them already try to enter new regional markets such as ASEAN, APEC and even NAFTA. Besides, development of the Eurasian integration increases demand on qualified specialists with knowledge of principles of business activity on the EAEU market as well.

These factors define logic of this course. It includes case studies of some real entries of Russian companies into markets of regional groups as well as traditional methods.

Novelty of the course

The proposed course combines theory and practice regarding companies operating on the EU and other regional markets.

During a class instructor makes it interactive and figures out students' preferences for more advanced consideration of some topics, assigns homework and presentations according to their interests, provokes discussions and debates in order to form qualified approach to the topic. Students take part in the study process, which is forming them as specialists.

Final grade is calculated from a range of criteria (see Assignments and Assessment). In other words, not only learning of some information, but skills for applying students' knowledge is assessed.

To sum up, major course objectives are to explain how to defend external economic interests of Russian companies with the help of knowledge of economic and legislative frameworks for doing business as foreign companies in various integration blocs.

Course tasks:

- To share knowledge on the given topic;
- to analyze relations between Russia and major regional groups;

- to create a systematized vision of the topic;
- to elaborate skill for defense of one's points of view on the topic using arguments;
- to develop initial skills for shaping of external economic policy towards the EU, ASEAN, NAFTA etc.

The content of the course does not have any analogues in Russia. It includes the newest data, results of studies on this topic, information from the newest foreign sources. Most of the courses in Russia and abroad are either completely legal based, or cover mostly trade issues. This course is covering not only legal aspects of doing business in the regional integration groups, but also gives an economic rationale of being present at these markets. It is a combination of a legal and economic knowledge. Personal economic strategies are also covered in some parts of the course.

Intended Learning Outcomes:

- Knowledge: of economic environment for foreign companies on regional markets; legal environment for foreign business on the EU and other markets; peculiarities of competition law and monitoring of competition law compliance in different regional unions; combination of interests of small and big businesses, of domestic and external tasks in EU competition policy; regional policy against shadow economy; cases against violation of competition law; business environment of the regional real estate markets, market conditions.
- Awareness: of current problems that foreign enterprises are facing in the EU and other regional integration groups.
- Ability: to use and analyze statistical and economic data and academic knowledge; use references, and literature on the given topic.
- Skills: to critically evaluate analytical and scientific materials on the given issues and find options for possible solutions related to entry to foreign markets for Russian companies.

Course syllabus Topics

№	Topics	Total hours	Contact hours		Independent students' work
			Lectures	Seminars	
1.	Economic environment for foreign companies on the EU market.	11	2	1	8
2.	Legal environment for foreign business on the EU market.	11	2	1	8
3.	Peculiarities of EU competition law.	11	2	1	8
4.	EU monitoring of competition law compliance.	10	2	1	7
5.	Combination of interests of small and big businesses, of domestic and external tasks in EU competition policy.	12	2	1	9
6.	EU policy against shadow economy. European offshore jurisdictions.	11	2	1	8
7.	Comparison of EU and Russian competition law.	11	2	1	8
8.	Russia-EU cooperation in competition policy: problems and prospects.	11	2	1	8

9.	EU against competition law infringement cases. Size of punitive sanctions.	11	2	1	8
10.	Business environment of the European real estate market. Case study of several countries.	11	2	1	8
11.	Updating of Russian companies' strategy for EU market entry.	11	2	1	8
12.	Doing business in Eurasian Economic Union (EAEU).	11	2	1	8
13.	Doing business in NAFTA.	11	2	1	8
14.	Specific strategy of Russian companies, which are entering markets of Asia-Pacific region.	22	4	2	16
15.	Basic strategy of Russian companies, which are entering markets of regional integration groups.	15	2	5	8
	TOTAL:	180	32	20	128

Basic reading:

Butorina O.V. Evropeiskaia integriiia. // "Delovaia literatura", 2011. -720 p.

Assignments and Assessment:

Type of assessment	Form of assessment	2 modules		
		2	3	
Current	Essay			
			*	Practical application of new knowledge about doing business in the EU and other unions
Final	Exam		* —	Oral answer on theoretical part of the course

Course content

Topic 1 - Economic environment for foreign companies on the EU market.

Description of economic environment for foreign companies on the EU market.

Dynamic of EU economic indices comparing with other regions. Economic reasons to choose EU as a region where to invest.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integratsiia. //“Delovaia literatura”, 2011. - 720 p.
2. Isachenko Tatyana. Trade Policy of the European Union //Higher School of Economics Publishing House, 2010. 395 p.

Topic 2 - Legal environment for foreign business on the EU market.

Description of legal environment for foreign companies on the EU market.

Necessity of knowledge of EU law doing business in the EU.

Novelty of ecological legislation.

Rules of competition.

Basic issues.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integratsiia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)

Topic 3 - Peculiarities of EU competition law.

Competition law of the leading countries in the world. Differences and peculiarities.

Peculiarities of EU competition law.

Measures against cartel agreements.

Suppression of abuse of a dominant position.

Regulation of national subsidies.

Mergers and acquisitions law in the EU.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integriiia. //“Delovaia literatura”, 2011. -720 p.

Topic 4 - EU monitoring of competition law compliance.

Peculiarities of the EU monitoring of competition law compliance in comparison with national law in EU member-states.

Competences of the European Commission.

Punitive sanctions.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integriiia. //“Delovaia literatura”, 2011. - 720 p.

Topic 5 - Combination of interests of small and big businesses, of domestic and external tasks in EU competition policy.

Combination of interests of small and big businesses in EU competition policy.

Combination of domestic and external tasks in EU competition policy.

Cooperation with other countries.

Program for competitive growth of the EU: implications for EU policy towards foreign business.

EU directive regarding minority shareholders.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integriiia. //“Delovaia literatura”, 2011. -720 p.

Topic 6 - EU policy against shadow economy. European offshore jurisdictions.

Peculiarities of the EU policy against shadow economy.

The role of European offshore jurisdictions.

The law of European micro-states.

Banking procedures in the EU. Features of the law.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integraciia. //“Delovaia literatura”, 2011. -720 p.
2. European Central Bank <http://www.ecb.int/>

Topic 7 - Comparison of EU and Russian competition law.

New competitive law in Russia. Influence of the EU law and features.

Comparison of EU and Russian competition law.

The similarities and differences between Russian and EU economic legislature.

Prospects for harmonization of Russian and EU economic legislature.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integraciia. //“Delovaia literatura”, 2011. - 720 p.
2. Isachenko Tatyana. Trade Policy of the European Union //Higher School of Economics Publishing House, 2010. 395 p.

Topic 8 - Russia-EU cooperation in competition policy: problems and prospects.

Issues of Russia-EU cooperation in competition policy according to PCA. Some results, problems and prospects for cooperation.

Issues of development of EU-Russia cooperation in competition policy in new agreement: possible alternatives.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integraciia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes& treatyTransId=643>

Topic 9 - EU against competition law infringement cases. Size of punitive sanctions.

Size of punitive sanctions.

Cases of applying sanctions. Usage procedure of sanctions.

Real cases of EU procedures against competition law infringement.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integraciia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes& treatyTransId=643>

Topic 10 - Business environment of the European real estate market. Case study of several countries.

Study of advantages of the EU market.

Legislature and economic environment of the most prospective markets.

Case study of policy of Russian investor.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integratsiia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes& treatyTransId=643>

Topic 11 - Updating of Russian companies' strategy for EU market entry.

The most important aspects of operation within the European market, with a focus on peculiarities of EU law regarding regulation of activity of foreign business.

Possible updating of Russian company's strategy for entering EU market.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integratsiia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes& treatyTransId=643>

Topic 12 - Doing business in Eurasian Economic Union (EAEU)

New market and investment opportunities in EAEU.

From Customs Union and the Single Economic Space to Eurasian Economic Union: implications for business.

Economic environment for companies on the EAEU market.

Legal environment for business on the EAEU market.

Mandatory reading:

1. <http://www.eabr.org/>
2. Kembayev, Zhenis. Legal aspects of the regional integration processes in the post-Soviet area. Almaty: Springer, 2009.

Topic 13 - Doing business in NAFTA.

Exporting in North America.

Opportunities for small and medium-sized enterprises in North America.
Success of foreign business in NAFTA.
Legal aspects of doing business with maquiladoras.

Mandatory reading:

1. www.nafta-sec-alena.org

Topic 14 - Specific strategy of Russian companies, which are entering markets of Asia-Pacific region.

Strategies for entering emerging and developing markets.

APEC activities aimed at business facilitation.

ASEAN Industrial Cooperation Scheme.

Areas for ASEAN-Russia business cooperation.

Mandatory reading:

1. APEC. 2009-2015. APEC's Ease of Doing Business Final Assessment: September 2016. Singapore: APEC.
2. <https://basc.berkeley.edu/>
3. <http://asean.org/>

Topic 15 - Basic strategy of Russian companies, which are entering the EU market.

Detailed review of home assignments using case study of Russian companies, which are entering the EU market.

Mandatory reading:

1. Butorina O.V. Evropeiskaia integratsiia. //“Delovaia literatura”, 2011. - 720 p.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994)
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&reatyTransId=643>

Sample topics for essay.

1. Economic environment for foreign companies on the EU market.
2. Legal environment for foreign companies on the EU market.
3. Features of mergers and acquisitions law in the EU.
4. Exemptions from the EU competition law. Opportunities for business.
5. Control of shadow economic schemes of non-EU companies on the European market.
6. Description of business environment in an offshore jurisdiction (may be chosen).

7. The similarities and differences between Russian and EU economic legislature.
8. Russia-EU cooperation in competition policy: problems and prospects.
9. Features of EU policy against competition law infringement (case study).
10. Peculiarities of Gazprom's (any other Russian company can be chosen) current policy in the EU.
11. Possible consequences of EU-Ukraine FTA for Russian companies.
12. Examples of business environment of the European real estate market (country can be chosen).
13. Changes on the European real estate market after the mortgage crisis in 2008.
14. Prospects for investing in real estate market in one of European states (upon a choice – Greece, Spain, the UK etc.)
15. Investment climate in countries of EAEU.
16. Regulatory environment in EAEU.
17. Business environment in NAFTA countries.
18. Restrictions on foreign investment and investors in APEC countries.
19. Foreign investment and trade opportunities in ASEAN.
20. Current activities of APEC in electronic commerce development.

Sample topics for final evaluation.

1. Define economic environment for foreign companies on the EU market.
2. Define legal environment for foreign companies within EU market.
3. Rules of fair competition.
4. EU competition law.
5. Measures against cartel agreements.
6. Suppression of abuse of a dominant position.
7. Regulation of national subsidies.
8. Mergers and acquisitions law in the EU.
9. Competences of the European Commission regarding business operations.
10. Size of punitive sanctions.
11. Procedure of notification.
12. Exemptions from the law. Opportunities for business.
13. Policy against shadow economy. Offshore jurisdictions, banking procedures, the law of European micro-states.
14. Comparison of EU and Russian competition law.
15. Russia-EU cooperation in competition policy: problems and prospects.
16. Examples of EU cases against companies, which violate competition law.
17. EC competition case against Microsoft.
18. Gazprom's strategy in the EU.
19. Severstal-Arcelor.
20. Vneshtorgbank-EADS.
21. Possible consequences of EU-Ukraine FTA for Russian companies.
22. Impact of Eurasian economic integration on Russian companies.

23. Comparative study of competition policy in Canada, USA and Mexico.
24. Labor relations in NAFTA.
25. ASEAN Industrial Cooperation Scheme: opportunities for Russian companies.
26. Intellectual property rights (IPR) protection in APEC.

Examination Type

Final grade is calculated from intermediate grades for:

- Participation in the discussions and responses in the class (15%);
- Power point presentation on the chosen topic (15%);
- Essay (30%);
- Exam (40%)

For each aspect the student receives, correspondingly, a mark on a 10-point scale.
 $I = 0,3xK + 0,15xS + 0,15xD + 0,4xE$, where I – final mark, K – essay, S- participation in the discussions, D-presentations, E –final exam (the end of 3rd module).