

Government of the Russian Federation

State budgetary higher education unit

**National Research University
Higher School of Economics**

Trade Policy Institute

Course Syllabus and Description

**Economic and Regulatory Conditions for Foreign Companies
Operating in the EU**

For Master's Programme
"International Trade Policy"
38.04.01 Economics

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General information

This course is designed for the “International Trade Policy” Master’s study programme. It is developed according to National Research University Higher School of Economics educational standard for Master’s degree programs in Economics (code 38.04.01).

Pre-requisites

It is assumed that students should have knowledge in the following areas:

- basic Economics (Microeconomics, Macroeconomics, International Economics);
- institutions and decision-making process in main regional integration groups (EU institutions, Eurasian Economic Commission, etc.);
- foundations of the EU law and legal framework of other regional unions and trade agreements;
- EU major policies.

Course objectives

In recent decades, Russian companies began to enter external markets using foreign direct investment and taking control of foreign enterprises. EU market is the most popular foreign market for Russian capital. However, nowadays Russia-EU relations and international economic relations are developing in new circumstances (trade wars, sanctions, etc.).

Correspondingly, business operations will take place in an absolutely new environment. Russian companies have to take into account new challenges of doing business in the EU and on markets of other regional trade agreements (hereinafter – RTAs). Some of them already try to enter new regional markets.

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 the logic of this course. It includes real case studies of entry strategies of Russian companies into markets of regional groups as well as traditional methods.

Novelty of the course

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 those markets. It is a combination of legal and economic knowledge. Personal economic strategies are also covered in some parts of the course.

The proposed course combines theory and practice regarding companies operating on the EU and other regional markets such as ASEAN, APEC, and even NAFTA/USMCA.

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

Course tasks

- to share knowledge on the given topic;
- to analyze relations between Russia and major regional integration groups/RTAs;
- to create systematized vision of the topic;
- to elaborate skill for defense of one's points of view on topics using arguments;
- to develop initial skills for shaping external economic policies towards the EU and its experience for other blocs, e.g. ASEAN, NAFTA/USMCA, etc.

Intended Learning Outcomes

- Knowledge:

economic and legal environment for foreign companies on markets of regional integration groups and regional trade blocs/RTAs/MRTAs;

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 the EU competition policy as well as policy against shadow economy/offshores; cases against violation of competition law;

business environment of the regional real estate markets, market conditions for foreign companies entering markets of trade blocs and RTAs/MRTAs.

- Awareness: of current problems that foreign enterprises are facing in the EU and other regional integration groups/trade blocs/RTAs/MRTAs.

- Ability: to use and analyze statistical and economic data and academic knowledge; use references, yearbooks and professional 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 of Russian companies onto foreign markets.

Methods

The course provides students with understanding of practical aspects of the global economic governance system. Students should prepare presentations about discussed topics and then champion their positions.

The following methods and forms of study are used in the course:

- lectures;
- seminars;
- home assignments;
- self-study.

Overall, the course includes contact hours for lectures and seminars, and self-study is an extremely important element of the course as well. Also, active work during seminars is crucial for taking practical skills in discussion and standing up own position.

During classes instructors make them interactive and figure out students' preferences for more advanced consideration of some topics, assign homework and presentations according to their interests, provoke discussions and debates in order to form qualified approach to each topic. Students take part in the study process, which is forming them as specialists.

Final grade is calculated from a range of criteria (see Examination and Assessment section). Not only learning of some information but skills for applying students' knowledge are also assessed.

Course Outline

No.	Topic	Course hours	Lecture hours	Seminar hours	Self-study hours
1	Economic environment for foreign companies on the EU market.	16	2	2	12
2	Legal environment for foreign business on the EU market.	16	2	2	12
3	Peculiarities of EU competition law and Competition policy. Combination of interests of	16	2	2	12

	small and big businesses, of domestic and external tasks in the EU competition policy				
4	EU policy against shadow economy. Other policy areas (Anti-trust policy, Ecological policy, etc.)	16	2	2	12
5	Offshore jurisdictions and the EU	16	2	2	12
6	EC against cos. law infringement cases	16	2	2	12
7	Comparison of EU and Russian competition law. Russian cos. Strategies in the EU. Cases of entering the EU markets.	16	2	2	12
8	Real estate in the EU. Personal strategies.	16	2	2	12
9	Doing business in the EAEU and NAFTA/USMCA. Specific strategies of Russian companies entering markets of Asia-Pacific region.	24	4	8	12
	Total	152	20	24	108

Basic reading

Dearden S., McDonald F. (Eds.). European Economic Integration, 4th Ed. Pearson Education Ltd., 2015.

Course content

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., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.

2. Isachenko T.M. Trade Policy of the European Union // Higher School of Economics Publishing House, 2010.

3. Galchenko E.A. UK between Integration and Disintegration: Towards Post-Brexit Trade Policy // Trade Policy (HSE). 2016. No. 4. Pp. 85-94.

Legal environment for foreign business on the EU market

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

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

Novelty of ecological legislation.

Rules of competition.

Basic issues.

Mandatory reading:

1. Butorina O.V., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.

2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:

<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=643>

Peculiarities of the EU competition law

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

Peculiarities of EU competition law.

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.

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., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.

2. Schneider Electric v Commission (Judgment of the Court of First Instance in Case T-77/02). European Commission.

3. Какими станут внутренние и внешние политики ЕС в результате вступления в силу Лиссабонского договора (Материалы международной конференции, проведенной в МГИМО (У) МИД России 22 февраля 2008 г.). М.: Изд-во «Аксиом», 2008.
4. Евроатлантическое пространство безопасности / Под ред. А.А. Дынкина, И. С. Иванова. М.: ЛЕНАНД, 2011.

Combination of interests of small and big businesses, of domestic and external tasks in the 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., Kaveshnikov N.D. (eds). European Integration. // М.: Aspect Press, 2017.
2. Zuev V. N., Ostrovskaya E. Socializing global economic governance: introducing a financial transaction tax // European Review. 2018. Vol. 27. No. August. P. 1-18.

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., Kaveshnikov N.D. (eds). European Integration. // М.: Aspect Press, 2017.
2. European Central Bank. URL: <http://www.ecb.int>
3. Хейфец Б.А. Офшорные юрисдикции в глобальной и национальной экономике. М.: ЗАО «Издательство «Экономика», 2008.

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., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Isachenko T.M. Trade Policy of the European Union // Higher School of Economics Publishing House, 2010.

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., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTrans>
3. Sudakova Y. Some aspects of non-tariff measures within Eurasian Economic Union // *Финансы и бизнес*. 2019. No. 1. Pp. 136-149.

EU against competition law infringement cases

Size of punitive sanctions.

Cases of applying sanctions. Usage procedure of sanctions.

Real cases of the EU procedures against competition law infringement.

Mandatory reading:

1. Butorina O.V., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTrans>

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., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=643>

Basic strategies of Russian companies entering the EU market

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

Mandatory reading:

1. Butorina O.V., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=643>

Updating Russian companies' strategies for the 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 updates of Russian companies' strategies for entering the EU market.

Mandatory reading:

1. Butorina O.V., Kaveshnikov N.D. (eds). European Integration. // M.: Aspect Press, 2017.
2. Partnership and Cooperation Agreement between Russian Federation and the EU (1994) URL:
<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=643>
3. Влияние российской инвестиционной экспансии на образ России в Европе / Под. ред. А.В. Кузнецов. М.: ИМЭМО РАН, 2010.
5. ЕС и Россия: от прямых капиталовложений к иностранному сотрудничеству / Отв. ред. А.В. Кузнецов; ИМЭМО РАН. М.: Наука, 2008.

Doing business in the 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. EABR. URL: <http://www.eabr.org>

2. Kembayev Zh. Legal aspects of the regional integration processes in the post-Soviet area. Almaty: Springer, 2009.

Doing business in NAFTA/USMCA

Exporting in North America.

Opportunities for small and medium-sized enterprises in North America.

Success of foreign business in NAFTA/USMCA.

Legal aspects of doing business with maquiladoras.

Mandatory reading:

1. NAFTA Secretariat. URL: www.nafta-sec-alena.org

Specific strategy of Russian companies 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. ASEAN Regional Guidelines on Competition Policy, Jakarta: ASEAN Secretariat, August 2010. URL: <http://www.aseansec.org/publications/ASEANRegionalGuidelinesonCompetitionPolicy.pdf>

2. The Harmonisation of ASEAN Competition Laws and Policy and Economic Integration, Law and Thanadsillapakul. URL: http://www.jftc.go.jp/eacpf/04/thailand_lawan.pdf

3. Competition Policy in ASEAN. URL: <http://www.asean.org/Fact%20Sheet/AEC/AEC-06.pdf>

4. ASEAN Regional Guidelines on Competition Policy and Handbook on Competition Policy and Law in ASEAN for Business, August 2010. URL: <http://www.asean.org/Fact%20Sheet/AEC/2010-AEC-06-2.pdf>
5. Handbook on Competition Policy and Law in ASEAN for Business. URL: http://www.mycc.gov.my/265_206_206/Web/WebEvent/Handbook-on-Competition-Policy-and-Law-in-ASEAN-for-Business/Handbook-on-Competition-Policy-and-Law-in-ASEAN-for-Business.html
6. ASEAN Investment Guidebook 2009, Jakarta: ASEAN Secretariat, February 2010. URL: <http://www.aseansec.org/publications/Asean-Investment-2009.pdf>
7. Critical Evaluation of Investment Laws as a tool of Progress within ASEAN, Colin Ong, ASEAN Law Association, 10th General Assembly, Hanoi, Viet Nam, 2009. URL: <http://www.aseanlawassociation.org/10GAdocs/Brunei4.pdf>
9. APEC's Ease of Doing Business Final Assessment. September 2016. APEC, Singapore. 2016.

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 EU market.
6. Description of business environment in an offshore jurisdiction (may be chosen).
7. 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 may 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
15. Investment climate in countries of EAEU.
16. Regulatory environment in EAEU.
17. Business environment in NAFTA/USMCA 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. Review of economic environment for foreign companies on the EU market.
2. Review of 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 violating competition law.
17. EC competition case against Microsoft.
18. Gazprom's strategy in the EU.
19. Severstal-Arcelor case.
20. Vneshtorgbank-EADS case.
21. Possible consequences of EU-Ukraine FTA for Russian companies.
22. Impact of the Eurasian economic integration on Russian companies.
23. Comparative study of competition policy in Canada, USA and Mexico.
24. Labor relations in NAFTA/USMCA.
25. ASEAN Industrial Cooperation Scheme: opportunities for Russian companies.
26. Intellectual property rights (IPR) protection in APEC.

Examination and Assessment

Final grade is calculated taking into account grades for:

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

Special Equipment and Software Support

Computer, projector, and access to the Internet are required.