

Political Risk Assessment, LAIS 550

Class time: 3:30-4:45, TR	Classroom:
Office hours: 1:30-3:15, TR Also by appointment	Office: Stratton Hall, 322 Phone: 303-384-2407 (o) 210-789-7959 (c) E-mail: khancock@mines.edu

In this research seminar, student teams will analyze the risks of a resource-focused industry for conducting business in a particular state; create a written report on their findings with an executive summary, detailed sections, figures and tables; create a website displaying key components of the findings; and present their results to industry representatives, classmates and other interested parties. For our purposes, political risk is defined as the possibility of an unexpected politically-motivated event affecting the outcome of an investment. Using qualitative and quantitative data, we will analyze five components of risk: political, social, economic, environmental, and security. Within each component, we will also consider any mitigating factors, such as respect for international law and membership in international organizations, and whether there are actions a company can take to mitigate existing risks. Each team will determine the exact indicators it will use for the various five components. Some issues to consider:

- Political–Legitimacy, human rights, factionalized elites, corruption
- Social–Demographic pressures (health, age, education, etc.), refugees and internally displaced persons
- Economic–Uneven development, macroeconomic indicators, foreign direct investments, infrastructure, corporate tax laws, view of MNCs
- Environmental–Threats from climate change, air and water pollution, resource scarcity
- Security–Terrorism, border disputes, security alliances, illicit drugs and their cartels

Required Book

- Bruce Bueno de Mesquita, et al. 2005. *The Logic of Political Survival*. Cambridge, MA; London: MIT Press. ISBN 0-262-52440-6 (at the CSM bookstore, or on-line – also on 2-hour reserve at the library)
- Readings other than *Logic of Political Survival* are on Blackboard.

Participation: 10%

You are expected to actively participate in all sessions. This is a critical aspect of a Master’s seminar. The course depends on students’ informed discussion of the reading material. I will assign you a grade for your overall performance, based on the extent to which your comments demonstrate knowledge of the reading material and thoughtful analysis. This grade will be multiplied times the number of days you contribute in class. For example, a student who offers solid comments demonstrating good knowledge of the material with some analysis will earn an 85. If she attends every day and speaks every day, her grade will be $85 \times 100\% = 85$ (B). If she misses 2 out of 28 classes (or does not contribute to discussion on 2 days) her participation falls from 100% to 93%, and her grade to 79% (C+) ($85 \times .93 = 79$). You will get a midterm and final grade, each accounting for half of your final participation grade.

News Analysis: 15%

Each week (except when your section is due), starting January 20 and ending April 28, you will write a one-page, single-spaced (Times New Roman 12-point font, 1" margins) summary and analysis of a news story. Your grade will be based on (a) one paragraph summarizing the news item (3 points), (b) one paragraph discussing how this news might affect the political risk a company would face, with reference to one or more readings assigned for that week's section (such as politics or economics; it does not have to be for that exact week) (5 points), and (c) your writing skills (2 points).

For each week, use one of the following news sources chosen for its strong international coverage: *The Economist*, *New York Times*, *Financial Times*, and the *Christian Science Monitor*. During the course of the semester, use each of these sources at least once. Papers using other sources will not be accepted. Papers are due on **Thursdays** at 3:30. Turn in your paper **in class**, in hard-copy. Late papers will not be accepted.

Undergraduate students must include both a summary and analysis paragraph; the analytical paragraph must consider how this news would affect political risk, but students do not have reference a specific reading.

Weekly Papers: 25%

Starting with Week 2, you will write a 2-page (1-page for undergraduates), single-spaced (Times New Roman, 12-point font, 1" margins) paper analyzing the week's readings. The analysis must include ALL readings assigned for the week. Rather than individual summaries for each chapter or article, you must write an analysis; during this process you will reveal that you read and understood the arguments being made by the authors. To do the analysis, you'll first need to do a summary for yourself. After you can summarize the readings, then you can take the next step, a more challenging one, of analyzing the readings. In your paper, however, do not first write a summary and then analysis. You won't have enough room. Instead, write analytically from the first sentence on. Use endnotes for your citations; see the Chicago Style handout.

Your paper grade will be based on four factors: (a) demonstrated understanding of the material (4 points); (b) analysis (4 points); (c) writing skills, such as grammar and clarity (1 point); and (d) proper citations (1 point). These papers are critical to helping you synthesize the readings and prepare yourself for in-class discussion. If you do not turn in a paper, you will receive 0 out of 10 points (an F). Please make every effort to turn in something each week, even if it is not your best effort.

There are a variety of ways you can show analytical work for this assignment:

(1) You can compare how the different authors address a particular issue. For example, how do the authors see democracy as affecting political risk? You could write something like this: "Marks, Downing, and Smith all agree that advanced democracy is critical to political stability. [include a citation here that references all three authors and the page(s) where they discuss this issue.] [You would then elaborate on their similarities.] However, only Marks notes that transitioning democracies can be highly unstable. [spell out his argument here. Include citations. You might then speculate on why he does that and not the others and whether you think his analysis is stronger or weaker than the others.]

(2) You can bring in other weeks' readings, including your news analysis from a prior week, to shed light on the current week's readings. You could write something like this: "Ross's argument differs from that of Bueno de Mesquita, et al.'s discussion about the role of resources. [Insert citations for both Ross and Bueno de Mesquita, et al., then elaborate on the differences.]

(3) You can combine aspects of one author's work that appear in different places. For example, you could discuss how an argument that Bueno de Mesquita, et al. make in chapter 1 compares to their analysis in chapter 6.

(4) You can discuss strengths and weaknesses of the arguments. Points of analysis might include how the authors define their variables, if they appear to be missing important variables, if there are cases they should consider, if they have too many variables, and whether their logic holds up. For these papers, make sure to focus on substance rather than writing style. For example, it is fine to write “Chau never clearly defines what she means by democracy” but not to write “Chau uses too many big words and her sentences are too long.” This last example might be fine for some classes, but it is not what I’m looking for in this class.

Use Word (I can read either .doc or .docx); other formats will not be accepted. Title your paper as such: “[lastname]-week2.docx”, e.g., “hancock-week2.docx.” The week number refers to the week in the semester, as noted on the syllabus. For example, your first paper is due during the second week of class; therefore, use “week2.” **Email** your paper to me by **Tuesday**, 3:30. Late and hard-copy papers will not be accepted.

I will return these papers to you via email, with comments inserted. You must turn on “track changes” to see my comments and your grade. For the first 3 papers, I will insert editorial, along with substantive, comments. Beginning with the 4th paper, editorial comments will be optional; your choice. I recommend that you keep your papers in an email folder or in a folder on your computer, so that you can readily find your papers and their grades. I further recommend that you create an Excel file into which you post your news analysis grades and weekly paper grades, making it easier for you to track your progress.

Political Risk Assessment Report: 50% Your PRA report grade has five components, each with its own grade weighted as noted below.

(1) Individual sections (20%)

Using on-line databases and other on-line sources from the suggested list, combined with readings from class, each team member will write one section for the final report. Your individual paper will be about 10 double-spaced pages using Times New Roman 12-point font, 1” margins. The week that your section is due, you will not write a weekly analytical paper or news analysis paper.

On Tuesday, you will bring to class enough copies of your section for each teammate. Everyone who has written a paper that week, will spend 5-10 minutes presenting their findings to the class. (No power points, please.) Following the presentations, each of your teammates will read your paper, making substantive and editorial notes. The team will then collectively discuss how you can strengthen the paper. You will take home these edited papers for use in your final editing.

On Thursday by 3:30, you will submit to Turnitin.com (a system that checks for plagiarism) your final draft, single-spaced, 5 pages, titled “[lastname]-[type of section].docx”, e.g., “hancock-economics.docx.” On Thursday, bring in the edited papers from your teammates; these edits will constitute part of their team support grade. **Late papers** will receive a 5 point reduction for each day late (95 falls to a 90, e.g.), including weekends.

(2) Team support (5%)

You will be assessed on your strength as a team member. Three components comprise this grade: (1) the editing and comments you provide colleagues on their draft sections (40%), (2) how your teammates assess your contributions, including attending meetings, actively participating in team discussions, offering constructive feedback (verbal and written), problem-solving, and implementing your contribution to the final product (40%), and (3) your assessment of each teammate (20%).

(3) Final report (15%)

Your team will collectively write a final report that includes an Executive Summary, your individual sections (edited as appropriate) with detailed analysis, tables, maps, and other figures. The paper will be 25-30 single-spaced pages using Times New Roman 12-point font, 1” margins. The report is

the basis for the presentation and website. Your grade will be based on the quality of the analysis, use of class readings, presentation (figures and tables), and cohesiveness (the report should look and read as if one person wrote the report).

(4) Website (5%)

Your team will design a website showing the results of your research. To create a free website, go to: <https://sites.google.com/site/> You should include the entire report, bullet points of the key findings, maps and other graphics, biographical information on the authors (your team), useful links, and a comments section.

(5) Presentation (5%)

Using the graphics and information from the report, you will present your findings to an audience consisting of your classmates, industry representatives, and other interested parties. The team must have at one practice presentation before the final presentation day. All members must attend and offer verbal and written feedback for improvement; this feedback should be returned to me after the presentation to be included in my assessment of your team support grade.

Individual teammates will not be equally active in each of the above components. You may divide up the work as you wish, but I recommend the following: (a) one or two people collect data for, create, review, and refine the website; (b) one or two people edit the report; and (c) one or two people create the PowerPoint slides and present the report. Select people who are adept in these various areas, so that you can feel confident of a solid project.

Incompletes: Under University policy, incompletes can be given “if a student, because of illness or other reasonable excuse, fails to complete a course.” The grade indicates “deficiency in quantity of work and is temporary.”

Communication Please come to my office hours as often as you like. If you cannot come at my scheduled hours, set up an appointment or call me. Feel free to talk with me before or after class. Email should be reserved for simple questions which can be quickly answered. For more complex questions, please call or see me in person. I will occasionally send emails to the class. Please be sure to check for messages from me every few days so as to avoid missing important news or clarifications.

Students with Disabilities

Support services, including registration assistance, are available to students with documented disabilities through the Office of Services for Students with Disabilities, 303-273-3377.

Academic Integrity

Be honest in your work. Academic dishonesty is not tolerated at CSM. Students who engage in misconduct may face a range of sanctions, including disciplinary change of grade, loss of institutional privileges or, in extreme cases, academic suspension or dismissal. Students who plagiarize will be given an *F* in the course, reported to the Associate Dean of Students and reported to their department head or division director. According to the Bulletin (p. 8, 2010-11), the prescribed action for a second offense is “a grade of *F* in the course, one-year academic suspension, permanent notation of Academic Misconduct on the student’s transcript.” For more information on these policies, see the Graduate or Undergraduate Bulletin, Academic Integrity.

In a writing intensive course such as this one, students must avoid intentionally or unintentionally committing plagiarism (“presenting the work of another as one’s own”). Whether paraphrasing or directly quoting, you must cite your sources. If you are unsure about when and how to cite, please come see me or ask questions in class.

Week	Date	Topics and Reading Assignments (550: these readings are for Graduate students only)
1	Jan. 13	Introduction to the Class The developing world, definition of PRA, assignments for the semester
2	Jan. 18-20	Political Risks Bruce Bueno de Mesquita, et al. <i>The Logic of Political Survival</i> , Chapters 1-2 <i>Foreign Policy</i> : “The Failed State Index 2010” (Google) – click on 5 states to see how they rank. Read about the methodology. Question to consider: what is a failed state?
3	Jan. 25-27	In-class Team Work: Divide into teams. Lijphart. <i>Patterns of Democracy</i> . Chapters 2-4, 6, 10, 13 <i>Foreign Policy</i> : “The Failed State Index” (Google). FSI2009 Features: Danger Ahead, The Green Zones, Blame Game, Disorder in the Ranks. Questions to (re)consider: what is a failed state? what causes a state to fail? CIA World Factbook: https://www.cia.gov/library/publications/the-world-factbook/ Look up 3 states (1 for undergraduates) and read through the various factors the factbook covers. For your paper, focus on the political section. 550: Bueno de Mesquita, et al. Chapter 5
4	Feb. 1-3	Seymour Martin Lipset & Jason M. Lakin, <i>The Democratic Century</i> , Chapters 5-9 US Department of State, “Country Background Notes” www.state.gov Look up 2 states (1 for undergraduates). Review political discussion. 550: Robert Barro, <i>Getting it Right</i> , Chapter 1.
5	Feb. 8-10	Bueno de Mesquita, et al. 3, 7, 10 Freedom House. “Freedom in the World” (www.freedomhouse.org) Look up 3 states (2 for undergraduates)
6	Feb. 15-17	Due: Political Risk papers. Drafts on Tuesday, finals on Thursday Social Risks and Resource Risks UNHCR: Refugee reports by country (http://www.unhcr.org/) Evaluate 5 states (3 for undergrads) <i>World Development Indicators</i> , 2009, see CSM Library database. Evaluate 5 states (3 for undergrads). Terry Lynn Karl. <i>The Paradox of Plenty: Oil Booms and Petro States</i> , Parts I and III. Hans Rosling shows the best stats you’ve ever seen http://www.ted.com/talks 550: Michael L. Ross. “The Political Economy of the Resource Curse,” <i>World Politics</i> , vol. 51, no. 2 (January 1999): 297-322.
7	Feb. 22-24	Environmental Risks <i>Foreign Policy</i> , FSI 2009 Features: “The Last Straw.”

		<p>Human Development Report, 2007/08, chapters 2-3 (“Climate shocks: risk and vulnerability in an unequal world” and “Avoiding dangerous climate change: strategies for mitigation.”)</p> <p>Country Environmental Analysis Reports, Asian Development Bank. http://www.adb.org/environment/cea.asp Read about 2 states (1 for undergraduates).</p> <p>550: Human Development Report, 2007/08, chapter 4, 165-218.</p>
8	Mar. 1-3	<p>Due: Social, Resource, and Environmental Risk papers. Drafts on Tuesday, finals on Thursday</p> <p>Economic Risks Kathleen Hancock, <i>Regional Integration</i>, Chapter 2</p> <p>Jagdish Bhagwati, <i>In Defense of Globalization</i>, Chapters 1-5</p> <p>550: Richard J. Barnet and John Cavanagh, <i>Global Dreams: Imperial Corporations and the New World Order</i>, Part IV: Global Money</p>
9	Mar. 8-10	<p>Reread Lijphart. <i>Patterns of Democracy</i>. Chapter 13</p> <p><i>Foreign Policy</i>: “The Failed State Index” (Google). FSI2009 Features: “The Whiplash Effect” and “Trouble in Tehran.”</p> <p>Globalization: the Haves and Have Nots. http://www.youtube.com/watch?v=K7eRb8aLpNI</p> <p><i>World Investment Report, 2009</i>, Overview http://www.unctad.org/en/docs/wir2009overview_en.pdf</p>
Mar. 15-17		Spring Break
10	Mar. 22-24	<p>Amy Chua, <i>World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability</i>. Three chapters each, to be chosen in class.</p> <p>Minxin Pei. “The Dark Side of China’s Rise” <i>Foreign Policy</i> (March/April 2006) http://www.carnegieendowment.org/</p>
11	Mar. 29-31	<p>UNDP, <i>Human Development Report 2002</i>, Chapters 2-3 http://hdr.undp.org</p> <p>[put HDR under political section – it’s about democracy – or get rid of it]</p> <p>William W. Lewis, <i>The Power of Productivity</i>, everyone read Chapter 1, then read two more chapters (Brazil, Russia, or India; chapters 6-8).</p>
12	Apr. 5-7	<p>Due: Economic Risk papers. Drafts on Tuesday, finals on Thursday</p> <p>Security Risks Michael Desch. <i>Civilian Control of the Military: The Changing Security Environment</i>, Chapters 1 and 2; skim chapter 4 to see how he applies his theory to a case study.</p> <p>Robert Pape, <i>Dying to Win: The Strategic Logic of Suicide Terrorism</i>. Chapters 1-2.</p> <p>550: Carles Boix. “Economic Roots of Civil Wars and Revolutions in the</p>

		Contemporary World.” <i>World Politics</i> - 60, 3, April 2008, 390-437.
13	Apr. 12-14	Bueno de Mesquita, et al. Chapters 6, 8, and 9. Kirshner, Jonathan. <i>Globalization and National Security</i> . Chapters 1 and 3. UNDP, <i>Human Development Report 2002</i> , Chapter 4: http://hdr.undp.org/en/media/HDR_2002_EN_Complete.pdf
14	Apr. 19-21	Michael Mann, <i>The Dark Side of Democracy: Explaining Ethnic Cleansing</i> , Chapters 1, 16, and 17. Last week for analytical and news analysis papers
15	Apr. 26-28	Due: Security Risk papers. Drafts on Tuesday, finals on Thursday. Final Team Work: discuss what needs to be done for the final project and who will be doing what, go over presentation format, review draft website, decide on practice presentations, tie up any other loose ends.
16	May 3-5	Tuesday: Practice Presentation with team Thursday: Presentations before audience
	Finals Week	Reports and Team Evaluations Due