

**C.T. Bauer College of Business
University of Houston**



FINA 7364 (18699) /MANA 7397 (18932)

International Business & Political Risk Management

**Summer MINI Session 2021
Online Asynchronous**

**Dr. Olivia Miljanic
E-mail: omiljanic@uh.edu
Virtual Office Hours: Th 12:00pm-2:00pm and by appointment**

Course Description

Globalization has been defined as the process through which firms increasingly accept political risk in exchange for economic success. As political factors affect the economic environment and play a significant role in determining the success of firms around the globe, it becomes crucial to conduct an accurate political risk assessment and to provide solutions that not only mitigate risk, but transform it into a higher potential for economic rewards. This course operates primarily from an oil and gas perspective to equip students with a set of tools for assessing and managing political risk at the national, supra-national, and sub-national levels and for capitalizing on unexploited opportunities derived from contexts with a high level of political risk. Every class segment introduces a new set of political risk subtypes and focuses on one region of the world, utilizing plant site, firm, and country case studies to apply the theoretical concepts introduced in the course.

Course Objectives

- Define and classify political risks.
- Evaluate the contribution of political risk to project risk.
- Assess the impact of political risk on international projects, with a focus on the oil and gas industry.
- Acquire tools for managing political risk.
- Integrate political risk into an Enterprise Risk Management process to attain the corporate objectives of alignment of strategic goals, operational efficiency, reliability of reporting, and compliance with applicable laws and regulations.
- Identify and concretize possibilities for turning political risk into opportunities.

Recommended Books:

Howell, Llewellyn, ed. *Handbook of Country and Political Risk Analysis*. 5th ed. East Syracuse: The Political Risk Services Group, 2014.

Luft, Gal and Anne Korin. *Energy Security Challenges for the 21st Century*. Santa Barbara: Greenwood Publishing Group, 2009.

Course Requirements

- **Commanding Heights Video – Online Discussions: 24% (3x8%)**
- **Biweekly Assignments: 42% (6x7%)**
- **Country Risk Paper: 34%**

Country Risk Paper

Each student will select an emerging market country that offers opportunities for investment in the oil and gas sector and produce an individual paper (8 pages, double spaced) that analyzes short and long term political risk factors; provides recommendations for how oil and gas investors can manage these risks; identifies an unexploited opportunity related to a risk factor; and generates a value creation strategy for an oil and gas investor based on this opportunity.

CLASS SCHEDULE

Week	Dates	Topics	Assignments
1	May 17-23	<p>Introduction Overview of Enterprise Risk Management The Role of Political Risk in Enterprise Risk Management</p> <p>Approaches to Country Risk Scenario Planning</p> <p>Commanding Heights Episode #1</p>	<p>Assignment #1: Assessing prior experience with Enterprise Risk Management and setting individual goals for the course</p> <p>Assignment #2: Evaluation of one quantitative and one qualitative approach to political risk analysis</p> <p>Online Discussion #1</p>
2	May 24-30	<p>Security Concerns Conflict and Violence Terrorism and Kidnapping <i>Region in Focus: Middle East and North Africa</i></p> <p>Corruption Property Seizure Adverse Contract Changes <i>Region in Focus: Latin America</i></p> <p>Commanding Heights Episode #2</p>	<p>Assignment #3: Case study</p> <p>Assignment #4: Case study</p> <p>Online Discussion #2</p>
3	May 31 – June 6	<p>Cultural Components Financial Crises and Contagion <i>Region in Focus: Asia</i></p> <p>Geopolitical and Global Macro Risk Timing Risk Turning Political Risk into Opportunities</p> <p>Commanding Heights Episode #3</p>	<p>Assignment #5: Case study</p> <p>Assignment #6: Case study</p> <p>Online Discussion #3</p>