

Incorporating International Trade Institutions Into Undergraduate Business School Courses

Abstract

Although the United States has signed and implemented a number of trade agreements and established special access programs with countries around the world at a quicker pace in the 21st century, not all business schools have made international trade an integral part of their curricula. The author's experience and review of a few business school curricula show that the results vary in terms of schools that incorporate the policy angle to international trade into their courses so that students have a complete picture of international trade. The paper suggests that business schools develop an interdisciplinary course curriculum that combines business with other courses that offer a unique and useful perspective on international trade. Furthermore, the paper encourages a geographical focus to comprehending international trade, considering that the institutions that guide business behavior and competitiveness vary from one region to another. Students will benefit from gaining a more complete view of the 21st century global economy and learning about additional career opportunities that will allow them to shape the rules that impact businesses.

Key words: trade agreements, institutions, Latin America

Introduction

International trade institutions have moved to the forefront of discussions in the mainstream media surrounding firm competitiveness, economic growth, and employment in the United States. For instance, the current administration under President Donald Trump has proposed renegotiating or withdrawing from the North American Free Trade Agreement (NAFTA) in an effort to bring manufacturing jobs back to the United States. Additionally, in January 2017, the United States withdrew from the Trans-Pacific Partnership (TPP) agreement, which it signed with 11 other nations throughout the Asia-Pacific region. Again, the argument for such a withdrawal was to ensure a competitive advantage for U.S. firms and industries, boost U.S. employment, and promote fair trade practices.

The current administration's approach diverges from previous administrations that played a role in increasing the number of trade deals with countries and regions around the world throughout the latter part of the 20th century and the beginning of the 21st century. Previous administrations argued that international trade increases access to other markets for U.S. goods and services, which, in turn, contributes to economic growth, job creation, and prosperity. For instance, in his December 1992 remarks on the signing of NAFTA, President George H. W. Bush said:

You see, the NAFTA represents the first giant step towards fulfillment of a dream that has long inspired us all, the dream of a hemisphere united by economic cooperation and free competition. Because of what we have begun here today, I believe the time will soon come when trade is free from Alaska to Argentina; when every citizen of the Americas has the opportunity to share in new growth and expanding prosperity.....This is the fastest growing region in the world for U.S. products (*Remarks on Signing*, 1992).

The greater focus on international trade institutions within the last year, specifically trade agreements and special access programs,¹ and the organizations governing these trade agreements and programs, such as the World Trade Organization (WTO), illustrates the significance of both on global business opportunities, strategies, decision-making processes, and competitiveness in the international market. Institutions refer to the rules that govern international trade and are usually established through international trade agreements and special access programs (Jackson, 2016). Although international trade institutions play a more influential role in the global economy, few business management programs actually incorporate in-depth courses on trade institutions into their core curriculum. As a result, not all students receive training that addresses the 21st century realities of global business, which would focus on the way trade agreements actually work, how they are structured, and the role of governments and business groups in shaping the rules of these agreements. The question becomes: How can undergraduate-level business programs enhance their curricula to meet the needs and realities of the 21st century global economy?

The paper first suggests that business programs embrace an interdisciplinary approach. An interdisciplinary approach would require drawing a deep connection between business and international political economy (IPE), the latter which emphasizes politics, policy, business, and economics. More specifically, IPE offers an in-depth understanding of trade policy, negotiations, political leverage, and the impact of trade policies on economic growth and development. Secondly, courses on trade institutions would benefit from a regional focus, such as Latin America and the Caribbean. A regional focus within such courses is important, because the rules

¹ Trade agreements refer to those deals that are reciprocal, in which the removal of tariff and non-tariff barriers are two-way. Therefore, in the case of two trade partners, both countries enjoy tariff-free access to each other's market. Special access programs, on the other hand, are usually unilateral in the sense that the tariff-free access and other benefits are one-way. For instance, in two-way trade, exports from one country may enjoy tariff-free access to another country, but the latter country may not enjoy the same benefit to the first country.

within trade agreements and special access program vary across regions resulting in a different set of specific opportunities for businesses in different markets. The interdisciplinary approach also has its benefits in exposing students to additional career opportunities and capabilities such as playing a greater role in the policies that affect businesses.

To answer the question posed above, the paper examines the current scholarship on business programs in the United States. Next, the paper highlights the methods employed to reach the final conclusion purported here. Afterward the current state of undergraduate business curricula is highlighted. Finally, the paper includes recommendations for enhancing business programs for the benefit of students upon entering the global business community. Additionally, the paper concludes with the implications for undergraduate business programs and students.

Current Scholarship

When discussing U.S. business programs in a globalized world, it is first important to understand how *globalization* is defined. The term *globalization* has been defined as “the increasing integration of, and interdependence among, diverse countries” (Kedia and Englis, 2011, p. 325). According to a Global Policy Forum article, “Globalization refers to the global economic integration of many formerly national economies into one global economy, mainly by free trade and free capital mobility, but also by easy or uncontrolled migration” (Daly, 1999, p. 1). For the purpose of this paper, globalization will refer to the increased and efficient flow of goods, services, capital, and people across borders thus contributing to an interconnected and interdependent world. As these definitions demonstrate, international trade is one of the key drivers of globalization.

Studies about U.S. undergraduate business programs highlight the internationalization of business schools through the faculty, student body, and relevant courses (Budde-Sung, 2006; Kedia and Englis, 2011); global knowledge and training (Martin, Heppard, and Green, 2011; Korn, 2012); and ways in which business schools can have a greater impact on economic and social development, particularly in the developing world (Pfeffermann, 2016). Martin, Heppard, and Green (2011) maintain that a number of global business programs have been designed to satisfy the accreditation requirements of the Association to Advance Collegiate Schools of Business. More specifically, business programs include common foci such as foreign language skills, study abroad opportunities, integrative courses, capstone/thesis projects, and faculty development. The authors challenge these programs to go beyond merely meeting the AACSB accreditation requirements toward actually measuring their effectiveness in preparing students for a globalized world. For instance, an effective foreign language requirement would not just consist of a few language courses but full immersion in the language through writing and presenting in the select language in the classroom.

The same study highlights programs at several universities as models to follow, such as Duke University's Fuqua School of Business, in which the program focuses on, *inter alia*, global institutions and environments. University of California at Berkeley serves as a positive example, in which students have the opportunity to work on real-world projects in organizations and companies around the world as global management consultants. The value of these studies rests with the emphasis on effective business programs rather than just satisfying the standards set by the AACSB. At the same time, these studies focus on the traditional business school model in terms of the specific courses and international program offerings.

Martin, Heppard, and Green (2011), in their research on MBA programs, discuss the significance of “integrative” courses and find that “students are interested in a whole product rather than siloed classes” (p. 361). The focus on integrative courses is a good start to encourage linkages across programs, such as the coordination between international business and international programs offices.

Although many programs emphasize the internationalization of their programs, several challenges remain with this approach. “Internationalization refers to the increasing importance of international trade, international relations, treaties, alliances, etc... The basic unit remains the nation, even as relations among nations become increasingly necessary and important,” (Daly, 1999, p. 1). In the context of undergraduate business programs, Kedia and Englis (2011) focus on the slow internationalization of business schools “in terms of faculty, students, and what is being taught” in order to keep up with the increasing pace of globalized businesses (p. 325). In their examination of business schools, Kedia and Englis (2011) also find that business school curricula mainly satisfies the requirements of the AACSB and could go further in terms of training students in an international setting and in-depth learning about different regions around the world. While current programs allow for cultural diversity, they still need to address challenges with internationalization, such as differences in learning styles, value systems, and preferences regarding collective versus individual-based learning across cultures (Budde-Sung, 2006; Kedia and Englis, 2011). The focus on geographical diversity supports the paper’s secondary argument that courses should also include a geographical focus, such as Latin America and the Caribbean. Kedi and Englis (2011) focus on student experience and include very little in terms of course subject matters within an internationalized program. Since many scholars already emphasize the international skills that students should develop and offer some

suggestions for developing such skills, many of which have been implemented business schools, it is still important to look at the course subject matter to determine the adequacy of the subjects to address the global business reality.

A number of scholars have highlighted the role that business schools can actually play in the global community (Rayment and Smith, 2013; Pfeffermann, 2016; Graham and Requejo, 2017). Business schools can have a great influence on economic and social development, particularly in developing countries, maintains Guy Pfeffermann, the founder and CEO of the Global Business School Network (2016). Economic impact through international trade contributes to peaceful, cooperative relations among nations. Business schools can use international trade to promote peace (Graham and Requejo, 2017). Regardless of the perception of this latter approach, Graham and Requejo (2017) realize the significance of international trade within business school education. Their examples highlight the political and cultural foci of their program, which brings at least one school closer to incorporating a key component of international business and the global economy into their curriculum and experiential learning activities—international trade (with an inclusion of trade policy and institutions). Other literature merely points out how some schools incorporate discussions about the effects of international trade, the World Trade Organization (WTO), and technology in reducing the costs of goods, services and cross-border transactions (Martin, Heppard, and Green, 2011). This paper advances upon the literature that includes a discussion of international trade from several perspectives—course material and the impact of business schools—by looking at the importance of an in-depth focus on trade policy and institutions to undergraduate business programs; incorporating a regional focus, Latin America and the Caribbean; and discussing ways in which business schools can prepare students for an additional career alternative, shaping trade policy and institutions.

Prior to this discussion, the paper shares an overview of various business school programs to illustrate that current business schools practices vary in terms of their limitations of truly preparing students for a globalized business community.

Methodology

In order to arrive at the final conclusions presented here, the paper includes a review of undergraduate business programs at six universities. The universities included in the sample include the top three—University of Pennsylvania, Massachusetts Institute of Technology, and UC Berkeley--national business schools as ranked by the *U.S. News and World Report* in 2017. Furthermore, the sample includes the top three state universities—Arizona State, Ohio State, and Penn State--in the same report.

In addition to the review of publicly available business curricula at the aforementioned educational institutions, the paper incorporates the author's own experience and personal observations through course development and teaching at different types of institutions (national, and state) and across a variety of learning contexts (online, certificate programs, and face-to-face courses). The application of a decade of academic experience is complemented by the author's practical experience as a trade policy consultant and business owner to offer a first-hand account of the types of knowledge that will benefit students as they embark upon the practical world of global business.

The assessment of the undergraduate business programs at the aforementioned universities focus on the course curriculum posted online in an effort to see the following: 1) the inclusion of a course focused mainly on trade policy and institutions and 2) an in-depth focus on specific geographical regions.

The method employed in this study is beneficial for a variety of reasons. Analyzing the course content at the six undergraduate business programs assists in identifying trends within the field in an effort to become more global. Furthermore, analysis of online content allows for parsimony and practical use. With regard to scholarly research, the ease of access to such content provides readily available information for replication and/or enhancement of the study.

Simultaneously, analyzing the online content of the university undergraduate business program carries some risks and limitations. First of all, the use of content analysis is descriptive and tells us little about the motivations behind particular trends. Another limitation to consider is that the analysis may not capture the full breadth of the undergraduate business programs at the select universities, since the selection of chosen information is open to subjective bias. Nevertheless, to address this weakness, the argument builds off of the author's own extensive experience teaching and developing courses at several universities and within a diverse set of contexts.

The sample includes a small number of cases, six undergraduate business programs based in the United States, which presents a challenge in terms of being generalizable. Small sample sizes are often criticized for selection bias and an inability to build theory (King, Keohane, and Verba, 1994). However, others have argued that small case studies allow one to look at a few cases much more closely (Collier, 1993). The goal of the study is to understand current trends, which results in a more descriptive analysis that is useful at the practical level rather than to build theory.

Observations of Business School Curricula

The paper first builds off of the author's own experience teaching in business schools in a diverse set of contexts—online, certificate programs, and face-to-face. The author has taught in several business management programs, been invited to give guest lectures for business courses, and was contracted to lead seminars for business associations throughout Central America and the Caribbean. Although the author's expertise is in the field of international political economy, her extensive knowledge of micro-economic theory, practices, policies, and governing institutions has been valuable in the business settings.

The first course taught in a business management program was an online course that combined global business management with public policy. The course included thorough analyses and evaluations of international trade regimes and institutions. For instance, students gained a deep understanding of the history of the WTO, its functions, and role in the contemporary global economy. Furthermore, the readings looked at specific functions of the WTO such as the dispute settlement process in cases of unfair trade practices that can harm producers in any given country. Finally, the course connected global trade policy to national level policy and discussed the impact of international policy on domestic sovereignty. Whereas the material offered in-depth insight into trade and policy, the material and class assignments were theoretically, rather than practically, focused.

The face-to-face undergraduate business courses emphasized business management or global business. However, additional reading material and practical projects were added to these courses to at least expose students to international trade and how it shapes the decisions and strategies of global business managers and their ability to compete in markets around the world. For instance, in one course, student's gained a first-hand understanding of international trade by conducting global market research for actual local companies and offering recommendations

regarding entering the Latin American and Caribbean regions. Another course, which focused specifically on international trade, allowed students to understand the process involved in international trade transactions such as payment and the transport of goods across borders. The author incorporated a focus on trade policies and institutions into the course so that students would understand the whole process of international trade, including from a policy and institutional perspective. To see if this experience is a common trend across other schools, findings from a review of the online curriculum for a select number and type of business schools are presented here.

Upon a review of the schools selected for the study, the Wharton School of Business at the University of Pennsylvania (U Penn) offers a flexible curriculum. This particular school has already embraced the interdisciplinary approach, in which students take 22 business courses, 10 liberal arts and sciences courses, and 5 electives from any discipline at U Penn. Students can focus on specific concentrations, which integrate several disciplines into one well-rounded focus. For instance, Business Economics and Public Policy includes a look at the economy, political analysis, the role of the government and markets, the policy process, and mitigating risks. Per the student profiles on the Wharton School of Business website, some are using their interdisciplinary degrees to leave an impact in the area of international policy. The Haas School of Business (UC Berkeley) has a Global Management Concentration. However, the specific focus on business and public policy and international trade are electives rather than required courses. Without access to the actual syllabus, it is difficult to determine whether international trade courses merely focus on trade theories and cross-border transactions and processes. Nevertheless, the option to take a course solely focused on international trade is available.

The undergraduate business programs at the top state schools, per the 2017 *U.S. News and World Report*, have international business programs and opportunities to study abroad, similar to the other aforementioned institutions. These schools include Arizona State University's W.P. Carey Business School, which ranked 25; Ohio State's Fisher College, 27; and Pennsylvania State University's Smeal College, 36. Review of their curriculum shows mainly a focus on microeconomics, international business, and, in the case of Arizona State, logistics. These programs could be complemented by courses that also look at international trade from institutional and policy perspectives.

The limited number of schools highlighted here merely provides a snapshot into the top business schools in order to highlight ways in which programs at a number of other institutions of higher learning can enhance their programs for the benefit of students and the global community.

Discussion

International trade from the political economic perspective should be incorporate into business schools. In other words, it would be useful to develop interdisciplinary approaches, such as with trade policy and institutions. There are several reasons for doing so, which includes preparing students to actually lead the policies and institutions that affect what businesses can and cannot do in the global economy. Trade policy in terms of trade agreements and special access programs have continued to increase in the 21st century. For example, the United States implemented three trade agreements by the end of the 20th century. These trade agreements included the U.S.-Israel Free Trade Agreement, U.S.-Canada Free Trade Agreement, and the North American Free Trade

Agreement (NAFTA).² In the 21st century, the United States had implemented 12 more trade agreements, which opened trade to a total of 20 countries around the world with a value of US\$710 billion, according to International Trade Administration data. Additionally, the United States has special access programs such as the Generalized Systems of Preferences (GSP), which allows U.S. importers to purchase goods from developing countries duty-free. Although these trade agreements and special access programs provide U.S. producers and service-providers preferential treatment in other markets, they still must follow the rules established by the international-level WTO. Since these policies and institutions create opportunities for U.S. firms in countries around the world, they should be incorporated into the business school curriculum.

Furthermore, the inclusion of an in-depth course on trade policy and institutions should include geographical foci. U.S. trade policy differs across regions. Latin America accounts for 71 percent of all trade agreements that the United States has implemented. The significance of the Latin American region to U.S. businesses calls for the need to begin with an in-depth emphasis on this region in the classroom.

The argument put forth in this paper supports a growing call for an emphasis on international trade from the economic, business, and political perspectives.

The curriculum needs to focus for its core on trade policy, international law, international trade theory, international business and international relations/political science. As programmes grow, optional courses that draw on a wide range of academic disciplines can be added as the need arises....

² The U.S. trade agreement with Canada became a part of NAFTA.

International trade policy questions have expanded in complexity and the topic draws a much wider audience than in the past. The need for skilled international trade specialists exists and is growing (Kerr, 2010, p. 190).

Key topics within the area of international trade course to include a focus on the rules of trade for agriculture, manufacturing, and service. In addition, the trade rules regarding environment and labor remain important. Another area that is key to international trade courses is how trade agreements and special access programs address tariff and non-tariff barriers to trade for the benefit of different industries.

Conclusion

In sum, U.S. trade with Latin America and the Caribbean, including the establishment of trade agreements and special access programs, goes as far back as the early 20th century. It is time for U.S. business schools to embark upon a 21st century approach by incorporating international trade, specifically in-depth courses on trade institutions and how they apply to different regions. The top undergraduate business programs have moved or are moving toward combining international political economy and public policy with the business curricula. The interdisciplinary nature of business programs becomes more and more necessary as the global economy becomes more complex and includes institutions that determine the competitiveness and behavior of firms. Since the United States has established rules with more Latin American and Caribbean countries than with other regions around the world, these are two regions that should be examined closely. An interdisciplinary and geographic approach will offer students an opportunity to develop careers in business and policy development.

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