

# Foreign Direct Investment and Digital Trade

(Spring 2026)

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**Class Time:** Thursday 2:00 – 5:00 pm  
**Classroom:** Building 140-2, Room 202  
**Office Hours:** by appointment

# Course Description

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- In the contemporary global economy, foreign direct investment (FDI) has become a central mechanism through which firms internationalize, reconfigure global value chains (GVCs), and respond to geopolitical, technological, and sustainability-related disruptions. While international trade traditionally served as the dominant channel of globalization, FDI has increasingly taken precedence—particularly in the context of digitalization, geopolitical fragmentation, and the growing strategic importance of intangible assets.
- This course provides a comprehensive and analytically rigorous examination of FDI from both theoretical and applied perspectives. It integrates classical and contemporary theories of international business with real-world cases involving multinational corporations (MNCs) from both developed and emerging economies.
- The course is organized into two interconnected parts.
  - **Part I** focuses on the theoretical foundations of FDI, including conventional, unconventional, and dynamic perspectives on why firms invest abroad and how they choose locations and entry modes.
  - **Part II** examines contemporary issues such as locational competitiveness, geopolitical risk, GVC reconfiguration, digital firms' global strategies, and ESG-oriented internationalization.
- By the end of the course, students will be able to critically compare FDI theories, apply analytical frameworks to real-world cases, and gain insights relevant for academic research and professional practice.

# Grading Policy (1)

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- **Grading (total 100%)**

- Professionalism: Attendance and class participation: 25%
- Weekly summary of readings for each class: 25%
- Group presentation: 25%
- Term paper: 25%

- **Professionalism (25%)**

- Students should attend all classes. Those who miss more than two classes may not receive a grade. Tardiness and class disturbances may be reflected in the grade.
- Students are also required to know the Honor Code and apply it to all work and behavior in the class.

- **Weekly summary (25%)**

- Students are required to submit a one-page summary based on assigned each class readings (Classes 2-12). Summaries should be submitted via eTL at least 24 hours before class (by 2:00pm on Wednesday).
- The weekly summary should (i) discuss the most interesting/important points in the readings, and (ii) your thoughts. The one-page summary should be approximately 300-400 words in length.

# Grading Policy (2)

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- **Group presentation (25%)**

- Each group will give a group presentation in **Class 14 (June 4)**.
- The group should submit the presentation PPT file via eTL at least 24 hours before the class of its presentation, thereby no later than Wednesday 2:00 pm.
- Intra- and inter-group evaluation
- Further instructions will be given in **Class 2**.

- **Term paper (25%)**

- Students will submit their term papers by **Class 15 (June 11)**.

# Course Materials and Policy on the Use of Generative AI Tools

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## ❖ Course Materials

### Required Readings

- Moon, Hwy-Chang. 2016. *Foreign Direct Investment: A Global Perspective*. Singapore: World Scientific.
- Assigned journal and media articles
- Students should read the materials before class, so class meetings can be used for discussion rather than by straight lecture.

### Recommended Readings

- Dunning, J. H., Lundan, S. M. (2008). *Multinational Enterprises and the Global Economy*. Cheltenham and Northampton, MA: Edward Elgar. (available via SNU electronic resource)
- Shenkar, O., Luo, Y., and Chi, T. 2022. *International Business* (4<sup>th</sup> edition). New York: Routledge.
- It is also recommended that students regularly read good business and economic publications such as WSJ, Economist, Harvard Business Review.

## ❖ Policy on the Use of Generative AI Tools

- Generative AI may be used as a supplementary learning tool in this course. Students may employ generative AI to explore ideas, clarify concepts, or assist with data analysis related to course assignments.
- However, when generative AI is used in completing any assignment, students must clearly disclose the name of the tool used, describe how it was applied, and identify any content generated by the tool.

# Class Schedule (1)

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- **Class 1 (March 5): Course Introduction and Global Business Context**
  - Course guideline
  - The global economy: challenges and firms' response strategies

## Part I: Theoretical Foundations

- **Class 2 (March 12) International Players: From Western Multinationals to Global Firms**
  - **Textbook, Chapter 1** (Changing nature of firms and business landscapes)
  - **Shih, W. C. 2020.** Bringing manufacturing back to the U.S. Is easier said than done. *Harvard Business Review*, April 15.
  - (recommended) Rosa, B., Gugler, P., and Verbeke, A. 2020. Regional and global strategies of MNEs: Revisiting Rugman & Verbeke (2004). *Journal of International Business Studies*, 51, 1045-1053.
  - **Group formation**
- **Class 3 (March 19) International Business Strategy: From Trade to FDI**
  - **Textbook, Chapter 2** (FDI and competitiveness building for firms and nations)
  - **Economist. 2025.** Can Shein and Temu survive Trump's trade war? April 30.
  - (recommended) Vahlne, J. E., & Johanson, J. (2017). From internationalization to evolution: The Uppsala model at 40 years. *Journal of International Business Studies*, 48(9), 1087-1102.
- **Class 4 (March 26) The Western Perspective on FDI**
  - **Textbook. Chapter 3** (Conventional FDI theory mainly for explaining the FDI from developed firms)
  - **Economist. 2024.** From Apple to Starbucks, Western firms' China dreams are dying. December 8.
  - (recommended) Surana, A., Chavan, M., Kumar, V., & Chirico, F. (2024). The internationalization of digital platform firms: the platform-OLI (P-OLI) framework. *International Marketing Review*, 41(5), 886-910.

# Class Schedule (2)

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- **Class 5 (April 2) Unconventional FDI and Emerging Market Multinationals**
  - **Textbook. Chapter 4** (Unconventional FDI theory for better explaining the unconventional FDI from developing firms)
  - **New York Times. 2024.** Chinese carmakers are taking Mexico by storm while eyeing U.S. December 9.
  - (recommended) Luo, Y., & Tung, R. L. (2018). A general theory of springboard MNEs. *Journal of International Business Studies*, 49(2), 129-152.
- **Class 6 (April 9) FDI Motivations**
  - **Moon, H. C. 2007.** Outward foreign direct investment by enterprise from the Republic of Korea, In *Global Players from Emerging Markets: Strengthen Enterprise Competitiveness through Outward Investment*. New York and Geneva: UNCTAD.
  - **Moriuchi, Y., Ise, K., & Zhang, X. (2025).** Do Parts Suppliers Follow Their Customers' FDI?. *Management International Review*, 65(1), 21-42.
  - **Wall Street Journal. 2025.** Nippon Steel Completes Purchase of U.S. Steel After Reaching Security Deal With Trump Administration. June 18.
- **Class 7 (April 16) FDI Impacts on Countries: From Negative to Positive Perspective**
  - **Textbook. Chapter 5** (FDI impacts on home and host countries)
  - **Economist. 2025.** Vietnam's economy is booming, but its new leader is worried. May 22.
  - (recommended) Li, M., Li, D., Lyles, M., & Liu, S. (2016). Chinese MNEs' outward FDI and home country productivity: The moderating effect of technology gap. *Global Strategy Journal*, 6(4), 289-308.

# Class Schedule (3)

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- **Class 8 (April 23) Foreign Entry Mode Choices**

- **Textbook. Chapter 8** (Introducing a more comprehensive framework for the variables of entry mode choices)
- **Moon, H. C. and Yin, W. 2020.** “Industry Drivers of MNCs’ Externalization Choice: A Conceptual Framework and Application to Korea-China Film Co-productions”, *Journal of Business and Industrial Marketing*, 35(11): 1633-1644.
- **New York Times. 2024.** Walmart Dumps Entire Stake in China’s JD.com. August 21.
- **Group Presentation Proposal and Feedback**

## Part II. Contemporary Issues

- **Class 9 (April 30) Global FDI Trends and the Locational Attractiveness**

- **UNCTAD. 2025.** *World investment report 2025: Chapter 1*. New York and Geneva: UNCTAD (pp. 3-47)
- **Moon, H. C. and Yin, W. 2021.** Four Fundamental Factors for Increasing the Host Country Attractiveness of Foreign Direct Investment: An Empirical Study of India, in Krishna B. Misra, *Handbook of Advanced Performability Engineering*, Springer Nature Switzerland AG, Cham, Switzerland.
- (recommended) Wang, Z., Jiang, D., & Zhang, M. (2024). Seeking new location advantages: Analysis of emerging digital cross-border M&As—Based on TIMG index. *International Business Review*, 33(2), 102243.

- **Class 10 (May 7) Global Strategies of Digital Firms**

- **UNCTAD. 2025.** World Investment Report 2025 (Chapter 4): *International investment in the digital economy*. New York and Geneva: UNCTAD (pp. 169-211).
- **Cho, D. S., Moon, H. C., Yin, W., Hong, M., & Huang, D. 2024.** ABCD Technologies in the Fourth Industrial Revolution. In *The Competitiveness of Nations 3: Emerging Technologies in the Fourth Industrial Revolution* (pp. 101-125). World Scientific.
- (recommended) Stallkamp, M., Chen, L., and Li, S. 2023. Boots on the ground: Foreign direct investment by born digital firms. *Global Strategy Journal*, 13: 805–829.

# Class Schedule (4)

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- **Class 11 (May 14) ESG: From Responsibility to Opportunity**
  - Moon, H. C., & Parc, J. 2019. Shifting corporate social responsibility to corporate social opportunity through creating shared value. *Strategic change*, 28(2), 115-122.
  - Moon, H. C., Yin, W., Hong, M., and Huang, D. 2025. Multinational Corporations and Climate Change: Four Environmental Strategies and Their Impacts on Firm Performance. *Business Strategy and Development*, 8(1): e70085.
  - (recommended) Wang, N., Pan, H., Feng, Y., & Du, S. (2024). How do ESG practices create value for businesses? Research review and prospects. *Sustainability Accounting, Management and Policy Journal*, 15(5), 1155-1177.
- **Class 12 (May 21) Reconfiguring Global Value Chains in the Geopolitical Environment**
  - Pegoraro, D., De Propris, L., & Chidlow, A. 2022. Regional factors enabling manufacturing reshoring strategies: a case study perspective. *Journal of International Business Policy*, 5(1): 112-133.
  - Moon, H. C., Yin, W., Zheng, F., and Huang, D. A Conceptual Framework for Firms' Response Strategies Against Sanctions: Lessons from Foreign MNCs in China. *Economic and Political Studies*, forthcoming.
  - (recommended) Gereffi, G., Lim, H. C., & Lee, J. (2021). Trade policies, firm strategies, and adaptive reconfigurations of global value chains. *Journal of International Business Policy*, 4(4), 506.
- **Class 13 (May 28) Special Topic: An Invited Special Lecture**
- **Class 14 (June 4) Group Presentations**
- **Class 15: (June 11) Term Paper Submission**