

PSC 536: Corporate Political Strategy

Version 2: January 27, 2014

COURSE DESCRIPTION

This multidisciplinary Ph.D. course will study the role of corporations in the political process. Topics will include integrated strategy, political risk, the returns to political activity, and corporate social responsibility. Readings will be drawn from the management, economics, finance, and political science literatures. In this course, students will develop a deeper understanding of the interplay between business and government, consider the benefits of a multidisciplinary approach for studying this subject, and explore future directions for research.

COURSE STRUCTURE

This course is designed to encourage students to develop research ideas and research questions. Several weeks of the semester will be devoted to student presentations of “Reports on Research,” which will be designed to lay the foundations for a discussion about the strengths of current research, its weaknesses, and most importantly, what questions remain to be answered and how we might answer them. (Students will be given a template for structuring Reports on Research, and students will be given individualized advice for the topic they are pursuing.) The goal is that students will leave the discussion each week with several ideas and directions for their own work.

COURSE REQUIREMENTS AND GRADING

- *In-Class Discussion (30% of grade)*: Class participation is vital to the success of a graduate seminar. Students are expected to be active participants in the class, including making short presentations in some weeks.
- *Reports on Research (35% of grade)*: Each student is responsible for preparing one Report on Research. Grades will be determined based on the written report, the presentation of that report, and the quality of the discussion prompts emerging from that report.
- *Student Choice (35% of grade)*: Additional evaluation in the form of a second Report on Research at the end of the semester, a research design, or a final exam essay will be determined in consultation with the faculty member.

COURSE MEETINGS

Unit 1: The Foundations of Integrated Strategy

1. January 27: Integrated Strategy I

Baron, David P. 1995. “Integrated Strategy: Market and Nonmarket Components.” *California Management Review* 37(2):47-65.

Baron, David P. 1995. “The Non-Market Strategy System.” *Sloan Management Review* 37(1):73-85.

de Figueiredo, John M. 2009. “Integrated Political Strategy,” *Advances in Strategic Management* 26:459-486.

Hillman, Amy J., Gerald D. Keim, and Douglas Schuler. 2004. “Corporate Political Activity: A Review and Research Agenda.” *Journal of Management* 30(6):837-57.

2. February 3: Integrated Strategy II

Porter, Michael. 1979. "How Competitive Forces Shape Strategy." *Harvard Business Review* 57(2/March-April):137-145.

Baron, David P. 1999. "Integrated Market and Nonmarket Strategies in Client and Interest Group Politics." *Business and Politics* 1(1):7-34.

Oberholzer-Gee, Felix, and Dennis Yao. 2013. "Market Imperfections as a Bridge Between Market and Non-Market Strategies." Harvard Business School Working Paper.

Bagley, Constance E. 2010. "What's Law Got to Do With It?: Integrating Law and Strategy." *American Business Law Journal* 47(4):587-639.

3. February 10: Integrated Strategy III

Acemoglu, Daron, and James A. Robinson. 2013. "Economics versus Politics: Pitfalls of Policy Advice." *Journal of Economic Perspectives* 27(2):173-192.

Baron, David P. 1997. "Integrated Strategy and International Trade Disputes: The Kodak-Fujifilm Case." *Journal of Economics & Management Strategy* 6(2):291-346.

Henisz, Witold J., and Bennet A. Zelner. 2003. "The Strategic Organization of Political Risks and Opportunities." *Strategic Organization* 1(4):451-460.

Ghemawat, Pankaj. 2001. "Distance Still Matters: The Hard Reality of Global Expansion." *Harvard Business Review* 79(8):137-147.

Unit 2: Institutions

4. February 17: Report on Research—Legislatures

5. February 24: Report on Research—Regulators

6. March 3: Report on Research—Non-Governmental Institutions (Private Politics)

[March 10: Spring Break (no class)]

Unit 3: Global Considerations

7. March 17: Report on Research—Foreign Direct Investment

8. March 24: Report on Research—International Trade

9. March 31: Report on Research—Political Risk and Uncertainty

Unit 4: Firm Performance

10. April 7: Report on Research—Returns to Political Spending

11. April 14: Report on Research—Returns to Corporate Social Responsibility

12. April 21 (to be rescheduled): Selected Papers—Strategy and the Business Environment Conference

13. April 28: Wrap-Up Class—Integrated Strategy and Firm Performance