

PSC 244K/W—Politics and Markets: Innovation and the Global Business Environment **This Version: November 18, 2016**

Course Description

Innovation is a driving force behind the massive increases in wealth that occurred in the 20th century, and the globalization of business is causing changes in the world's economy that we are only beginning to understand. In this course, we will spend several weeks studying how entrepreneurship and innovation are affected by government institutions. We will then spend several weeks studying business strategy in the global business environment, focusing on the role of regulations imposed by foreign governments and international organizations. Class meetings will be a mix of lecture and discussion, use real-world cases, and feature guest speakers. By the end of the course, you will have a stronger understanding of how businesses shape and are shaped by government policies. There are no prerequisites for this course, though some exposure to political science or economics is useful.

Readings

There is one required textbook for the course: *Business and Its Environment*, 7th ed., by David P. Baron. Two copies of the textbook are on 2-hour reserve in Rush Rhees Library. Additional required readings will be available in the Reserves section of the course Blackboard page at least one week prior to the course meeting during which they will be discussed. The textbook reading for the Sept. 15 class is also available in the Reserves section of Blackboard for those students who are not able to acquire a textbook immediately.

Course Requirements

- **Academic Honesty:** All assignments and activities associated with this course must be performed in accordance with the University of Rochester's Academic Honesty Policy. More information is available at www.rochester.edu/college/honesty.
- **Exams:** There will be three closed-book exams in the course on October 11, November 8, and December 13. There is no final exam. *Make-up exams are not given—exceptions are rarely granted.*
- **Analysis Questions:** For certain classes, indicated by “HW Due” on the syllabus, you will be asked to analyze a case or answer questions about a set of readings. Questions will be available in the Assignments section of Blackboard at least one week prior to the due date. In order to receive credit, all questions must be answered and the write-up must demonstrate careful consideration of the case/readings. Assignments are due at the beginning of class on the day the case or topic is discussed. *Late assignments will not be accepted.*
- **244W Students—Course Paper:** PSC 244W students will be required to turn in a 3,500-word paper on a topic related to innovation or the global business environment. Topics must be submitted by October 13, and the paper will be due on December 6; details are on Blackboard under Syllabus. *No late papers will be accepted.*

Grading

- *Exams* each count toward *30 percent* of your grade.
- *Analysis Questions* collectively count toward *10 percent* of your grade. You are required to turn in 6 assignments to receive full credit for this portion of your grade. If you turn in fewer than 6 assignments, your grade will be reduced proportionally. For instance, if you turn in only 5 assignments, you will receive 8.3 out of 10 points for this portion of your grade. Turning in more than 6 assignments will not increase your grade, but I encourage you to do all assignments in order to be better prepared for class and for exams.
- *244W Students:* Exams each count toward *22 percent* of your grade; case analyses/reading questions collectively count toward *10 percent* of your grade; the course paper counts toward *24 percent* of your grade.

Teaching Assistants (can answer questions about course material, exams, assignments, and grading)
Jonathan Bennett, jbenne23@ur.rochester.edu, Harkness Hall 334, Office Hours: Fri. 1:30-2:30 PM
Yu Wang, ywang176@ur.rochester.edu, Harkness Hall 330, Office Hours: Wed. 2-3 PM

Course Meetings

Note 1: Exam dates are set in stone and will not change. I will give you plenty of advance notice for any other changes I make to the syllabus, and confirm what material will be covered on each exam.

Note 2: Chapters and page numbers refer to the Baron text; non-textbook readings are listed by author last name or title (if no author) and are available on Blackboard. Multiple shorter readings are combined into single files I refer to as Reading Packets. Readings will be discussed on the days listed; for instance, the reading for the Innovation and Integrated Strategy class will be covered on September 15.

1. Thursday, September 1: No Class (Political Science Conference)

2. Tuesday, September 6: Introduction

3 and 4. Thursday, September 8 and Tuesday, September 13: Foundations of an Innovative Society

Reading: Baumol, Litan, and Schramm; Baumol; Gordon; Cowen

5. Thursday, September 15: Innovation and Integrated Strategy

Reading: Ch. 1 (pp. 1-5); Ch. 2 (pp. 30-47); Case (last name of the author; on Blackboard)

HW Due: Analysis Questions

6. Tuesday, September 20: Intellectual Property—Patents

Reading: Chapter 14 (pp. 380-387); Intellectual Property Law; Reading Packet

HW Due: Analysis Questions

7. Thursday, September 22: Intellectual Property—Copyrights and Trademarks

Reading: Reread Chapter 14 (pp. 380-387) and Intellectual Property Law

Raustiala and Sprigman; Reading Packet

8. Tuesday, September 27: Intellectual Property in an International Context

Reading: Chapter 19 (p. 527); World Trade Organization; Reichman

Case: Compulsory Licensing, Thailand, and Abbott Laboratories (pp. 545-549)

HW Due: Analysis Questions (Blackboard; do not answer preparation questions in case)

9. Thursday, September 29: Facebook—The News Feed Meets the Nonmarket Environment

Reading: Reading Packet

10. Tuesday, October 4: The Antitrust-Innovation Tension

Reading: Google PowerPoint; Reading Packet

HW Due: Analysis Questions

11. Thursday, October 6: The Federal Regulatory Process and Its Impact on Innovation

Guest Speaker: Martin Stern, Partner, Womble Carlyle

Reading: Reading Packet

12. Tuesday, October 11: Exam 1 (covers classes 2-10)

13. Thursday, October 13: Food Innovation

Reading: Reading Packet

HW Due: Analysis Questions

Additional Deadline: Paper topic due for 244W students

*****Tuesday, October 18: No Class (Fall Break)**

- 14. Thursday, October 20: Integrated Strategy in a Global Context**
Reading: Chapter 2 (pp. 33-34); Ghemawat
HW Due: Analysis Questions
- 15. Tuesday, October 25: International Expansion and Integrated Strategy**
Case: Toys 'R' Us and Globalization (pp. 552-556)
- 16. Thursday, October 27: China**
Reading: Chapter 16 (pp. 448, 453-470)
Case: Google in China (pp. 472-476); Google out of China (pp. 699-702)
HW Due: Analysis Questions (Blackboard; do not answer preparation questions in cases)
- 17. Tuesday, November 1: International Trade**
Reading: Chapter 19 (pp. 519-540)
- 18. Thursday, November 3: Emerging Markets and Political Risk**
Reading: Chapter 17 (pp. 477-493); Henisz and Zelner
HW Due: Analysis Questions
- 19. Tuesday, November 8: Exam 2 (covers classes 11, 13-17)**
- 20. Thursday, November 10: Innovation in the News Media**
Guest Speaker: Richard Keil, Senior Advisor, International Government Relations, ExxonMobil
Reading: Reading Packet
- 21. Tuesday, November 15: The European Union (and "Brexit")**
Reading: Chapter 15 (pp. 417-425, 434-439); Reading Packet
- 22. Thursday, November 17: Regulating Finance**
Guest Speaker: Joel Seligman, President and CEO, University of Rochester
Reading: Reading Packet
- 23. Tuesday, November 22: Election 2016 Open Discussion**
- ***Thursday, November 24: No Class (Thanksgiving)**
- 24. Tuesday, November 29: The Federal Government and US Defense Innovation in the Global Marketplace**
Guest Speaker: Jennifer Hanley, Director, International Government Relations, Harris Corporation
Reading: Reading Packet
- 25. Thursday, December 1: Ethics in the Global Arena**
Reading: Chapter 24 (pp. 681-690); Nike in Southeast Asia (pp. 95-97); Reading Packet
HW Due: Analysis Questions (Blackboard; do not answer preparation questions in case)
- 26. Tuesday, December 6: Corruption and Bribery in a Global Context**
Reading: Chapter 24 (pp. 691-699); Siemens: Anatomy of Bribery (pp. 704-706)
Easterly; Reading Packet
244W Students: Course Paper Due
- 27. Thursday, December 8: Course Wrap-Up**
- 28. Tuesday, December 13: Exam 3 (covers classes 18, 20-22, 24-27)**
There is no final examination in this course.