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Spring 2019, Tues. and Thurs. 11:05 AM – 12:20 PM
Office Hours: Tues. and Thurs. 1:30 – 2:30 PM
(no office hours on days with a guest speaker)

PSC 244K/W—Politics and Markets: Innovation and the Global Business Environment

This Version: March 27, 2019

COURSE DESCRIPTION

Innovation is a driving force behind the massive increases in wealth that occurred in the 20th century, and globalization 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 made available in the Readings/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 January 24 and 29 classes is also available in the Readings/Reserves section of Blackboard for 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 February 21, March 28, and April 30. There is no final exam. *Make-up exams are not given—exceptions are rarely granted.*
- **Analysis Questions:** On days denoted “*HW Due” on the syllabus, you will be asked to analyze a case or answer questions about a set of readings. Questions are made 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 readings. Assignments are due at the beginning of class on the due date and should be handed in on the table at the front of the classroom. Assignments may not be submitted electronically. You may discuss the assignments with other students, but the answers must be prepared independently. *Late assignments will not be accepted.*
- **Reading Requirement:** In addition to the readings referenced above, each student is expected to spend 50 minutes outside of class each week reading *The Economist*, *New York Times*, *Wall Street Journal*, or similar publication in order to deepen their understanding of how the themes of the course relate to current policy issues. All University of Rochester students are entitled to free access to the online version of the *Wall Street Journal*. Details can be found on Blackboard under Readings.
- **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 February 28, and the paper will be due in class on April 23; details are on Blackboard under Syllabus. *No late papers will be accepted.*

GRADING

- Each *exam* counts toward *30 percent* of your course grade.
- *Analysis Questions* collectively count toward *10 percent* of your course 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*: Each *exam* counts toward *22 percent* of your course grade; *Analysis Questions* collectively count toward *10 percent* of your course grade; the *course paper* counts toward *24 percent* of your course grade.

TEACHING ASSISTANT

- Maria Silfa, maria.silfa@rochester.edu, Harkness Hall 338, Office Hours: Wed. 11 AM – 12 PM
- Maria can answer questions about the course material, exams, assignments, and grading.

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.

Note 2: Chapters and page numbers refer to the Baron textbook; non-textbook readings are listed by author last name, organization, or title and are available on Blackboard under Readings/Reserves. Shorter readings are combined into pdf files referred to below and on Blackboard as Reading Packets. Readings will be discussed on the days listed; for instance, the readings for the Foundations of an Innovative Society class will be covered on January 22.

1. Thursday, January 17: Introduction

2. Tuesday, January 22: Foundations of an Innovative Society

Reading: Baumol; Gordon; Cowen

3./4. Thursday, January 24 and Tuesday, January 29: Integrated Strategy for Innovative Firms

Reading: Chapter 1 (pp. 1-5); Chapter 2 (pp. 30-47); Case (author last name); Tusk

***HW Due (January 24)**

5. Thursday, January 31: Intellectual Property—Patents

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

***HW Due**

6. Tuesday, February 5: Intellectual Property—Copyrights and Trademarks

Reading: Raustiala and Sprigman; Reading Packet

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

7. Thursday, February 7: 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 on Blackboard; do not answer preparation questions in case)

8. Tuesday, February 12: The Antitrust-Innovation Tension

Reading: Google PowerPoint; Reading Packet

***HW Due**

- 9. Thursday, February 14: Facebook—The News Feed Meets the Nonmarket Environment**
Reading: Reading Packet
- 10. Tuesday, February 19: Food Innovation**
Reading: Reading Packet
***HW Due**
- 11. Thursday, February 21: Exam 1 (covers classes 1-9)**
- 12. Tuesday, February 26: Investing in Innovation**
Guest Speaker: Nomi Bergman '85, President, Advance/Newhouse
Reading: Reading Packet
- 13. Thursday, February 28: Telehealth**
Guest Speaker: Robert McNamara, Senior Attorney, Institute for Justice
Reading: Reading Packet
- 14 and 15. Tuesday, March 5 and Thursday, March 7: Integrated Strategy in a Global Context**
Reading: Chapter 2 (pp. 33-34); Ghemawat
Case: Toys 'R' Us and Globalization (pp. 552-556)
***HW Due (March 5)**
- 16. Tuesday, March 19: Political Risk**
Reading: TBD (see Blackboard)
***HW Due**
- 17. Thursday, March 21: Global Issues Management**
Guest Speaker: Richard Keil '83, Managing Director for Global Issues Management, Accenture
Reading: Reading Packet
- 18. Tuesday, March 26: The Politics of International Trade**
Reading: Chapter 19 (pp. 519-540); Reading Packet
- 19. Thursday, March 28: Exam 2 (covers classes 10, 12-17)**
- 20. Tuesday, April 2: Ethics in the Global Arena**
Reading: Chapter 24 (pp. 681-690); Nike in Southeast Asia (pp. 95-97); Reading Packet
***HW Due** (Analysis Questions on Blackboard; do not answer preparation questions in Nike case)
- 21. Thursday, April 4: Corruption and Bribery in a Global Context**
Reading: Chapter 24 (pp. 691-699); Siemens: Anatomy of Bribery (pp. 704-706)
Easterly; Reading Packet
- 22. Tuesday, April 9: The European Union and Brexit**
Reading: Chapter 15 (pp. 417-434); Reading Packet
- 23. Thursday, April 11: The Federal Government and US Defense Innovation in the Global Marketplace**
Guest Speaker: Jennifer Hanley '99, Director, International Government Relations, Harris Corporation
Reading: Reading Packet

24. Tuesday, April 16: China

Reading: Chapter 16 (pp. 448, 453-470)

Case: Google in China (pp. 472-476); Google out of China (pp. 699-702); Reading Packet

***HW Due** (Analysis Questions on Blackboard; do not answer preparation questions following the cases)

25. Thursday, April 18: Climate Change, Free Enterprise, and Public Policy

Guest Speaker: Bob Inglis, Executive Director, republicEn, and former member of the US Congress

Reading: Reading Packet

26. Tuesday, April 23: India

Reading: Chapter 18 (pp. 502-512); Reading Packet

27. Thursday, April 25: Course Wrap-Up

28. Tuesday, April 30: Exam 3 (covers classes 18, 20-27)

There is no final exam in this course.

Statement on Credit Hours: This course follows the College credit hour policy for four-credit courses. This course meets twice per week for a total of 150 minutes per week of faculty-led instructional time. The course also includes independent out-of-class activities for 50 minutes per week; specifically, as outlined above, students are expected to spend 50 minutes per week reading *The Economist*, *New York Times*, *Wall Street Journal*, or similar publication.

Statement on Electronics: No photography, video recording, or audio recording of any kind is allowed during class.