Professor David Primo
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Fall 2014, Tues. and Thurs. 12:30-1:45
Office Hours: Mon. 1:30-3:30 PM, and by appt.
http://www.rochester.edu/College/PSC/primo

PSC 238: Business and Politics

This Version: November 25, 2014

Course Description

The focus of this course is the conflict and cooperation between business and government, with an emphasis on U.S. domestic politics. We will cover a broad range of issues affecting the business world, including regulation, lawmaking, the mass media, interest group activism, and crisis management. The course will connect ongoing political debates to theory, and guest speakers will bring their business and political experience to our class. Each meeting will feature a general topic, as well as in-depth analyses of real-world cases related to that topic. What happens when Wal-Mart tries to open a new store in a city with strong unions? Who is opposed to grocery stores selling wine, and why? How did General Motors fight back against a media report critical of its products? Is "corporate social responsibility" actually irresponsible? These are just a few of the questions we'll answer during the semester, all while developing an understanding of what happens when politics meets economics.

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 are available in the Reserves section of the course Blackboard page; readings added later in the semester will also be placed here. Textbook readings for the first three classes are also available in the Reserves section of Blackboard for those students who are not able to acquire a textbook immediately.

Course Requirements

- ***Exams***
  There will be three closed-book exams in the course on October 2, November 6, and December 11. 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 discussion/reading questions. Questions are available in the Assignments section of Blackboard. In order to receive credit, answers should reflect careful thought. Assignments are due in class on the day the case or topic is discussed. *Late assignments will not 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.

Teaching Assistant

There is one teaching assistant for this course. The TA is available to answer your questions about course material. The TA is also authorized to address your questions regarding exam and homework grading.

Peter Bils
Harkness Hall 315A, pbils@ur.rochester.edu
Office Hours: Tues. 3-4 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. Readings will be discussed on the days listed; for instance, the reading for the Private Politics class will be covered on September 16.

1. Tuesday, September 2: Course Overview/Introduction to the Nonmarket Environment
Reading: Chapter 1 (pp. 1-16)

2 and 3. Thursday, September 4 and Tuesday, September 9: Integrated Strategy
Reading: Chapter 2 (pp. 30-47)
Case: Amazon.com and the Amazon Tax (pp. 225-229)
HW Due (Sept. 9): Analysis questions (Blackboard; do not answers preparation questions in case)

4. Thursday, September 11: The News Media
Reading: Chapter 3 (pp. 52-69) and watch online lecture (Blackboard)
Case: General Motors Like a Rock? (A) (pp. 69-71)
HW Due: Analysis questions (Blackboard; do not answers preparation questions at the end of the case)

5. Tuesday, September 16: Private Politics
Reading: Chapter 4 (pp. 74-91)
Case: Shell, Greenpeace, and Brent Spar (pp. 92-95)
HW Due: Analysis questions (Blackboard; do not answers preparation questions at the end of the case)

6. Thursday, September 18: **Nonmarket Analysis for Business**
Reading: Chapter 6 (pp. 132-140; 149-156)
Case: Business versus Business (pp. 158-160)

7. and 8. Tues., Sept. 23 and Thurs., Sept. 25: Nonmarket Strategy Formulation and Implementation
Reading: Chapter 7 (pp. 162-183) and Chapter 8 (pp. 195-213)
Case: Wal-Mart and Its Urban Expansion Strategy (pp. 218-220)
HW Due (Sept. 25): Answer questions 1-4 at the end of the Wal-Mart case

9. Tuesday, September 30: Nonmarket Strategy Application: Fuel Economy Standards
Reading: Review Chapters 7 and 8 (pp. 162-183, 195-213)
Case: Fuel Economy Standards 2007 (Blackboard)

10. Thursday, October 2: ***Exam 1 (covers classes 1 through 8)***

11. and 12. Tuesday, October 7 and Thursday, Oct. 9: Pivotal Politics and Nonmarket Strategy
Reading: Chapter 7 (pp. 152-156, 171-172, 174-178)
Case: Federal Express and Labor Organization (p. 188)
HW Due (October 7): Answer questions 1-4 at the end of the FedEx case

*****Tuesday, October 14: No Class (Fall Break)**

13. Thursday, October 16: Crisis Management
Guest Speaker: Richard Keil, Senior Media Relations Advisor, ExxonMobil
Reading: Chapter 5 (pp. 102-116)

14. Friday, October 17: Meliora Weekend Panel--"What Do Corporations Owe Society?"
Location: Gleason Hall 318/418 (subject to change)
Time: 4:00-5:30 PM
HW Due (October 21—the Tuesday after the event): Analysis questions

15. Tuesday, October 21: Regulation and Rulemaking
Reading: Chapter 10 (pp. 264-276, skim 277-285)
Case: The FCC Media Ownership Rules (Blackboard)

*****Thursday, October 23: No Class (replaced by Meliora Weekend panel on October 17)**

16. Tuesday, October 28: Antitrust
Reading: Chapter 9 (pp. 230-238, 244-252; skim 239-243)
Case: The Microsoft Antitrust Case (pp. 257-263)

17. Thursday, October 30: A Tale of Two Mergers: AT&T/T-Mobile and US Airways/American Airlines
Guest Speaker: Seth Bloom, President, Bloom Strategic Counsel, and former General Counsel, Subcommittee On Antitrust, Competition Policy, and Consumer Rights, U.S. Senate Judiciary Committee
Reading: Reading Packet
HW Due: Analysis Questions

18. Tuesday, November 4: Why Wegmans Sells Wine in Virginia but Not in NY
Reading: Wiseman and Ellig

19. Thursday, November 6: ***Exam 2 (covers classes 9, 11-17)***

20. Tuesday, November 11: Regulatory Uncertainty and Integrated Strategy
Reading: Fremeth and Richter
HW Due: Analysis questions

21. Thursday, November 13: Occupational Speech
Guest Speaker: Robert McNamara, Senior Attorney, Institute for Justice
Reading: Reading Packet

22 and 23. Tuesday, November 18 and Thursday, November 20: Corporate Social Responsibility
Reading: Chapter 20 (pp. 557-580); Reading Packet
HW Due (November 18): Analysis questions

24. Tuesday, November 25: Corporate Disclosure
Reading: Reading Packet

*****Thursday, November 27: No Class (Thanksgiving)**

25. Tuesday, December 2: Student-Selected Topic: Political Uncertainty
Reading: Reading Packet

26. Thursday, December 4: Guest Speaker (Topic TBA)
Guest Speaker: Dawne Hickton, CEO, RTI International Metals
Reading: TBA

27. Tuesday, December 9: Course Wrap-Up

28. Thursday, December 11: ***Exam 3 (covers classes 18, 20-27)***

There is no final examination in this course.

Required Readings on Blackboard (These readings, and any readings added after the semester begins, will be made available in the Reserves section of Blackboard.)

Baron, David. P. 2010. "Fuel Economy Standards 2007." In *Business and Its Environment*, 6th ed., by David P. Baron. Upper Saddle River, NJ: Prentice Hall, pp. 259-264.

Baron, David. P. 2010. "The FCC Media Ownership Rules." In Business and Its Environment, 6th ed., by David P. Baron. Upper Saddle River, NJ: Prentice Hall, pp. 332-336.

Wiseman, Alan E., and Jerry Ellig. 2007. "The Politics of Wine: Trade Barriers, Interest Groups, and the Commerce Clause." *Journal of Politics* 69:859-875.

Fremeth, Adam R., and Brian K. Richter. 2011. "Profiting from Environmental Regulatory Uncertainty: Integrated Strategies for Competitive Advantage." *California Management Review* 54(1):145-165.