
Washington University in St. Louis
Department of Political Science

American Political Economy L32 398 POL SCI

Spring 2013

Instructor:

William D. MacMillan

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Office Hours: TuTh 1:30-3:30, and by appointment

Class Schedule:

TuTH 4-5:30p

Course Objective

This course examines the relationship between businesses and the government of the United States, focusing on the historical development of political economy thought and the inter-relationships of firms and federal agencies. The class will focus on answering three main questions:

1. How have we arrived at today's market economy?
2. How does business alter the political landscape?
3. How does the interaction with government alter business strategy?

The goal of the course is to help us come to a deeper understanding of the complexities of public-private interactions in the economic realm. Government policies define the current economy, and how these two actors interact simultaneously impact the current livelihood of every American and define the future course of the American political economy.

This is a survey, lecture-based course. The assigned readings are a little extensive (75-100 pages per week), and my lectures will cover material outside the readings. Attendance at lecture is a natural expectation of the course, and the quizzes and final exam will include material from the lecture.

Course Policies

Homework assignments must be turned in at the beginning of class on the day they are due. I will only accept hard copies of assignments, and I will not accept emailed assignments. Students who fail to turn in homework assignments on time will receive no credit for that

assignment. Likewise, take-home exams turned in late will be counted as zero. If a student anticipates missing class the day that an assignment is due, he or she is expected to make arrangements to turn the assignment in early. There will be no opportunities for making up quizzes missed due to absence or tardiness.

Course Textbooks

Please purchase the following texts for use throughout the semester.

Baron, David. 2013. *Business and Its Environment*, 7th ed. Pearson.

Contacting the Instructor

My office hours are listed above. I encourage you to use office hours. You may also email me to set up an appointment to meet outside of this time; however, I cannot guarantee that I'll be able to meet with students that stop by my office outside of office hours and without an appointment.

I am typically quick to answer emails; however, I ask that you give me at least twenty-four hours to respond. In addition, many questions will be more easily addressed in class or in person, so please understand if I defer your question or concern until we can meet in person. **I ask that you include "PS 322" in the subject line of any email associated with this class that you send to me.** This will expedite the process of receiving and responding to your messages.

Most importantly, materials for the course (updated syllabi, readings, etc.) will be posted on the Blackboard site associated with this course. You are responsible for checking it regularly. Please contact me if you have a problem accessing the site or the files posted there.

Teaching Philosophy

I believe my role as instructor in this course is to provide an environment in which students may develop three levels of knowledge related to the American political economy. First, students should finish this class with a basic understanding of the basic facts about government-business interactions. Second, students should have an understanding of the analysis conducted by experts, their questions, their answers, and the methods used to analyze the political economy. Finally, students should be able to carry out their own analysis of political economy questions.

Teacher-student interaction is critical for the the development of these latter levels of knowledge. This interaction will occur in the classroom, but I also encourage you to take time to meet with me in person during my office hours. I will do my best to make time in class and in my office to answer students' questions, but that presupposes that students are intellectually curious (and humble) enough to ask.

Table 1: Grading Scale

A	100 – 95%
A-	> 95 – 90%
B+	> 90 – 87%
B	> 87 – 83%
B-	> 83 – 80%
C+	> 80 – 77%
C	> 77 – 73%
C-	> 73 – 70%
D+	> 70 – 67%
D	> 67 – 63%
D-	> 63 – 60%
F	> 60%

Evaluation

Class Project (25%): The class project will be conducted on a continuous basis throughout the quarter. Students will be organized into groups of no fewer than five members, and no more than six members. Each group will then confront an important issue in business-government relations, typically through interaction with a St. Louis-area business or governmental office. Students will be responsible for identifying businesses or government offices tackling problems of interest to them. Students will gain insight into the nonmarket issues being confronted in these organizations, and they will use the frameworks and lessons learned in class to offer advice and a final report to business leaders and public officials regarding how best to address their nonmarket concerns. Students will turn in their report in the final two weeks of the semester (both to Prof. MacMillan and to the organization being advised), and will present their findings orally to the class. Grades will be based on the oral presentation (totaling 10% of the final grade), on interim written assignments and the final report (10%), and peer evaluation of individual contributions to the group effort (5%). Reports should detail the problem faced by the business or government officials, the groups recommendations for addressing the problem, and how those recommendations are based on frameworks from the class.

Midterm Exam (25%): The midterm is in class closed book exam. Material will be drawn from readings and lectures throughout the first half of the semester.

Final Exam (30%): The final is a take home exam. Material will be drawn from readings and lectures throughout the entire semester.

Class Participation (20%): Quizzes will be administered periodically throughout the semester and will cover readings assigned for the day on which the quiz is taken.

Class Participation

This component of your grade will be based on the quality of your participation in class. Students are expected to participate in lectures through asking questions and answering questions that I raise in class. The instructor reserves the right to call on students throughout the semester, and responses to such inquiries will factor into the class participation grade.

Academic Integrity

I will not tolerate any form of academic dishonesty in this course. The College of Arts and Sciences lists policies regarding academic honesty. Please review these materials carefully. Expect me to enforce completely the University's policies regarding academic integrity. This may include failing an assignment, failing the course, or referral to the Dean for further action. In general, if you have any question about issues of academic integrity, please feel free to ask me.

Course Schedule

Table 2: Course Schedule

Date	Topic and Readings
Jan 15	Introduction
Jan 17	Introduction to the Nonmarket Environment Reading: Ch. 1 Case: Google (23-29)
Jan 22	Organize groups and plan project.
Jan 24	The Emergence of Issues Reading: Ch. 2 , Ch. 3 Case: Jet Skis
Jan 29	Private Nonmarket Action Reading: Chapter 4 Case: Shell, Greenpeace, and Brent Spar
Jan 31	Mobilization of Interests Reading: Ch. 6 Case: Repeal of the Luxury Tax, Tobacco Politics
Feb 5	Class Cancelled
Feb 7	Interest Group Analysis Reading: Ch. 6, Ch. 7 Case: Business Versus Business, Responsible Lobbying Assignment: Project idea summaries due.
Feb 12	Analysis of Voting Institutions

- Reading: Krehbiel, Keith. 1999.
 “Pivotal Politics: A Refinement of Nonmarket Analysis for Voting Institutions”
Business and Politics. 1(1): 63-81
 Case: Federal Express and Labor Organization
- Feb 14 **Analysis of Voting Institutions, cont’d**
- Feb 19 **Regulatory Institutions: Theory and Practice**
 Reading: Ch. 6, Ch. 8, and Ch. 10
 Case: Spectrum for Wireless Broadband
- Feb 21 **Informational Lobbying and the Pharm. Industry**
 Reading: Ch. 1, Ch. 10
 Case: Merck and Vioxx, Pfizer and Celebrex
- Feb 26 **Antitrust**
 Reading: Chapter 9
- Feb 28 **Antitrust, cont’d**
 Case: The Microsoft Antitrust Case, Price Fixing in the Airways
- Mar 5 **Regulatory and Product Safety**
 Reading: Ch. 14
 Case: California Space Heaters, Inc.
- Mar 7 **Midterm Exam**
- Mar 12 **Spring Break**
- Mar 14 **Spring Break**
- Mar 19 **Financial Markets and their Regulation**
 Reading: Ch. 11
 Case: Credit Rating Agencies
- Mar 21 **The Political Economy of International Trade Policy**
 Reading: Ch. 19
 Case: Cemex and Antidumping
- Mar 26 **Nonmarket Strategy in the European Context**
 Reading: Ch. 15
 Case: The European Union Carbon Tax
- Mar 28 **Emerging Markets**
 Reading: Ch. 17
 Case: Social Entrepreneurship: Kiva
- Apr 2 **Social, Economic, and Political Change in China**
 Reading: Chapter 16
 Case: Direct Selling in China
- Apr 4 **Corporate Responsibility**
 Reading: Ch. 20
 Case: The Collapse of Enron
- Apr 9 **Utilitarianism and Management**
 Reading: Ch. 21, Ch. 22, Ch. 23
 Case: Insider Trading

Apr 11 **Class Cancelled**
Apr 16 **Student Presentations**
Apr 18 **Student Presentations, cont'd**
Apr 23 **Review Session for Final**
Final exam distributed
Apr 25 **Final exam due**
