

**POLITSC 4910H: Business and Government Relations Honors**  
**TuTh 8:00 to 9:20 AM, Room: Denney Hall 238**

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**Professor:** Zachary Peskowitz, 2139 Derby Hall, peskowitz.4@osu.edu

**Office Hours:** 9-11 AM Wednesday and by appointment.

**Overview:**

Political Science 4910 Honors studies the intersection of business and government. Our emphasis will be on how firms and activist groups influence public policy and how political, legal, and social institutions affect the behavior of businesses. The course will examine government regulation of industry, activist and public interest groups, the role of lobbying and campaign contributions in the policymaking process, ethical frameworks for nonmarket strategy, and other related topics. Examples and cases will be drawn from the United States, developed democracies, and emerging markets. More so than most undergraduate courses, student participation will be an integral component of the course. Many of our class meetings will consist of me introducing a theoretical framework to study a concept in business-government relations and then we will transition into a case study. Students will be expected to have read the material and come to class prepared to participate in the discussion.

Compared to the standard version of Political Science 4910, the Honors version of the course will entail dramatically more reading and writing. If you are not willing to read a great deal, I encourage you to drop the course. The readings will be somewhat eclectic, ranging from journalism to contemporary academic studies. The primary textbook, *Business and Its Environment*, will be our point of departure and the additional readings will supplement and expand on the material in the textbook.

**Texts:**

There are three required books for the course:

- David P. Baron. *Business and Its Environment, Seventh Edition*. Prentice Hall, 2012
- Jeffrey H. Birnbaum and Alan S. Murray. *Showdown at Gucci Gulch*. Vintage Books, 1987
- Steve Coll. *Private Empire: ExxonMobil and American Power*. Penguin Press, 2012

In addition to the books, we will read many academic articles, which are listed below. I will post links to the readings on Carmen. I reserve the right to supplement the material with additional readings.

**Prerequisites:** There are no formal prerequisites for the course. Exposure to introductory political science and microeconomics will be helpful.

**Course Requirements and Grading:**

Your grade will be determined by four components: in-class quizzes (25 percent), group presentation (15 percent), in-class midterm (25 percent), and final exam (35 percent). There is no official attendance policy, but absences will prevent you from participating in class and will ultimately

limit your participation grade. In groups of 2-3 students, you will be required to present one of the academic papers to the class. A strong presentation will identify the primary research question that the article addresses, describe the method that the article employs to answer the question, summarize the main findings and draw out their broader implications for our understanding of business and government relations.

### **Academic Honesty:**

Academic dishonesty will not be tolerated in Political Science 4910H. The code of student conduct can be found online at <http://studentlife.osu.edu/csc/>. If you have any questions or doubts, ask me about the situation.

### **Special Accommodations:**

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities.

### **Course Overview:**

1. An Introduction to the Nonmarket Environment
2. Political Institutions
3. Government Regulation
4. Comparative and International Nonmarket Strategy
5. Nonmarket Strategy in the Financial Sector
6. Ethics

### **Course Schedule:**

Jan. 13: Introduction

Jan. 15: *Business and Its Environment* Introduction (p. 1-16) and The Nonmarket Environment of the Pharmaceutical Industry (p. 16-19).

- Atif Mian, Amir Sufi, and Francesco Trebbi. The Political Economy of the U.S. Mortgage Default Crisis. *American Economic Review*, 100(7):1967–1998, December 2010

Jan. 20: *BIE* The News Media and Nonmarket Strategy (p. 52-69) and The News of the World (p. 72-73).

- Tim Groseclose and Jeffrey Milyo. A Measure of Media Bias. *Quarterly Journal of Economics*, 120(4):1191–1237, November 2005
- Matthew Gentzkow and Jesse M. Shapiro. What Drives Media Slant? Evidence From U.S. Daily Newspapers. *Econometrica*, 78(1):35–71, January 2010

Jan. 22: *BIE*, Private Politics (p. 74-91) and Nike In Southeast Asia (p. 95-97).

Jan. 27: *BIE* Nonmarket Analysis (p. 132-149) and Chapter 20, “The Dam”, from Caro, Robert A. (1983). *The Years of Lyndon Johnson: The Path to Power*. Knopf.

Jan. 29: *BIE* The Organization of Congress (p. 152-157) and Chapters 1-4 of Showdown at Gucci Gulch

Feb. 3: Chapters 5-8 of Showdown at Gucci Gulch

Feb. 5: Chapters 9-11 and Epilogue of Showdown at Gucci Gulch

Feb. 10: *BIE*, Nonmarket Strategies for Government Arenas (p. 162-188) and Federal Express (p. 188-189).

- Keith Krehbiel. Pivotal Politics: A Refinement of Nonmarket Analysis for Voting Institutions. *Business and Politics*, 1(1):63–81, 1999

Feb. 12 *BIE* Nonmarket Analysis (p. 195-213) and Internet Taxation (p. 214-218)

Feb. 17: Campaign Contributions

- Stephen Ansolabehere, John M. de Figueiredo, and James M. Snyder Jr. Why Is There So Little Money In U.S. Politics? *Journal of Economic Perspectives*, 17(1):pp. 105–130, 2003
- Rui J. P. De Figueiredo and Geoff Edwards. Does Private Money Buy Public Policy? Campaign Contributions and Regulatory Outcomes in Telecommunications. *Journal of Economics & Management Strategy*, 16(3):547–576, 2007

Feb. 19: Lobbying

- Marianne Bertrand, Matilde Bombardini, and Francesco Trebbi. Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process. 2012
- Jordi Blanes i Vidal, Mirko Draca, and Christian Fons-Rosen. Revolving Door Lobbyists. *American Economic Review*, 102(7):3731–3748, December 2012
- Daniel J. Hopkins and Lee Drutman. The Inside View: Using the Enron Email Archive to Understand Corporate Political Attention. *Legislative Studies Quarterly*, Forthcoming, 2013

Feb. 24: Rent Extraction

- Andrew C. Eggers and Jens Hainmueller. MPs for Sale? Returns to Office in Postwar British Politics. *American Political Science Review*, 103:513–533, 10 2009
- Andrew C. Eggers and Jens Hainmueller. Capitol Losses: The Mediocre Performance of Congressional Stock Portfolios, 2004-2008. *Journal of Politics*, Forthcoming, 2013
- Pablo Querubin and James M. Snyder Jr. The Control of Politicians in Normal Times and Times of Crisis: Wealth Accumulation by U.S. Congressmen, 1850-1880. 2011

Feb. 26: The Role of Political Institutions

- Brian E. Roberts. A Dead Senator Tells No Lies: Seniority and the Distribution of Federal Benefits. *American Journal of Political Science*, 34(1):pp. 31–58, 1990
- Seema Jayachandran. The Jeffords Effect. *Journal of Law and Economics*, 49(2):pp. 397–425, 2006
- Ahmed Tahoun. The Role of Stock Ownership by U.S. Members of Congress on the Market for Political Favors. 2012

March 3: Catchup, recap and review

March 5: In-class Midterm

March 10: *BIE* Antitrust (p. 230-251) and Microsoft (p. 257-263)

March 12: *BIE* Regulation (p. 264-285) and Enron Power Marketing, Inc. (p. 289-291)

March 24: Political Mechanisms of Regulation

- Sanford C. Gordon and Catherine Hafer. Flexing Muscle: Corporate Political Expenditures as Signals to the Bureaucracy. *American Political Science Review*, 99:245–261, 4 2005
- Efraim Benmelech and Tobias J. Moskowitz. The Political Economy of Financial Regulation: Evidence from U.S. State Usury Laws in the 19th Century. *Journal of Finance*, 65(3):1029–1073, 2010

March 26: *BIE* European Union (p. 417- 439) and European Union Carbon Tax (p. 439-442)

March 31: *BIE* Emerging Markets (p. 477-493) and “Buried Secrets” by Patrick Radden Keefe

- Raymond Fisman. Estimating the Value of Political Connections. *American Economic Review*, 91(4):1095–1102, September 2001
- Mara Faccio. Politically Connected Firms. *American Economic Review*, 96(1):369–386, March 2006

April 2: Private Empire Prologue and Chapters 1-11

April 7: Private Empire Chapters 12-20

April 9: No class due to conference - use this extra time to work on your final papers

April 14: Private Empire Chapters 21-28

April 16: *BIE* Corporate Social Responsibility (p. 619 - 641) and Enron (p. 642-647)

April 21: CSR continued

- Peter Navarro. Why Do Corporations Give to Charity? *Journal of Business*, 61(1):pp. 65–93, 1988
- Jens Hainmueller and Michael J. Hiscox. Buying Green? Field Experimental Tests of Consumer Support for Environmentalism. 2012

April 23: *BIE* Ethics Issues in International Business (p. 681-699) and De Beers and Conflict Diamonds (p. 702-703)

April 29 8:00-9:45 a.m.: Final Exam