

Business and Society, Fall 2024

Professor Nate Jensen

Unique ID: 37345

TTH 12:30-2:00

COURSE DESCRIPTION

In this class we will explore the literature in political science, management, and economics on the relationship between business and society. This is a writing flag course and the main assignment for the course is a course research paper on a topic of your choice. I will offer some suggestions for topics, but it is up to you to decide what is interesting. Most classes we will start off with some discussion of the news. I'll add a few news stories most classes for you all to read before class.

PROFESSOR AND COURSE COMMUNICATION

Professor: Nate Jensen

Professor of Government

Office: Batts 4.132

Office hours: Tue 10:30-12:00, Thur 2:00-3:30 or by appointment

Email: natemjensen@austin.utexas.edu

Teaching Assistant: TBA

Office Hours: TBA

Email: TBA

Students will be expected to check their email regularly for any important course announcements. Professor Jensen is available during his office hours or by appointment. Send an email to schedule an appointment.

COURSE READINGS

I have attempted to reduce the costs of taking this course by eliminating any required books. Most of the reading materials are available free of charge on the course website. A number of readings (case studies) are available for purchase through Harvard Business Publishing.

The course packet can be assessed at: <https://hbosp.harvard.edu/import/1195884>

COURSE EXPECTATIONS AND REQUIREMENTS

This is an advanced class that requires students to review the course materials prior to class. There are no formal prerequisites to this course, but the readings will draw on literature from political science, management and economics. As a student you should:

- Be on time!
- Turn off your phones.
- Use your laptops only for class purposes.
- Do the reading before class.
- Be ready to discuss the readings.
- Treat your professor and fellow students with respect.

GRADING POLICY

Grade Scale (final grades rounded up):

93 and above A

90-92 A -

87-89 B+

83-86 B

80-82 B-

77-79 C+

73-76 C

70-72 C-

67-69 D+

63-66 D

60-62 D-

59 and below F

Participation (5%)

This is a seminar that is built around student participation. Come to class and participate. 5% of your grade is based on class participation.

Participation Assignments (5%)

5% is based on a small number of participation assignments in the class. These are easy assignments due each Wed by 11:59 pm. Late assignments are granted half credit.

Midterm Exam (25%):

The midterm exam will consist of a number of short answer and essay questions. Students are expected to know the basic arguments from all readings and have the ability to synthesize these works in broad essays.

Final Exam (25%)

The final exam is an in-class final exam on the scheduled exam time. This cumulative exam will consist of broad essay questions. You will select two of the four questions.

Paper Assignment (40%)

One major requirement in this course is a paper assignment. The final paper project should be 20-25 pages, 12-point font, double spaced. The assignment should be issue centered, where you're not citing sources for the sake of showing you read a lot of stuff, but with the goal of introducing a problem and forwarding an innovative solution as clearly as possible. On the final classes all of the students are expected to present their work in class. The paper assignment is worth 40% of your final grade with the following grade breakdown.

Five Page Literature Review	5%
Three Page Research Paper Proposal	5%
Presentation	5%
First Draft (15 pages)	5%
Final Paper	20%

Other University of Texas Policies

Academic Integrity: The UT Honor Code (or statement of ethics) and an explanation or example of what constitutes plagiarism can be found here: <http://catalog.utexas.edu/general-information/the-university/>)

Don't cheat. Ever.

Access: The University of Texas at Austin is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities. If you have any disability which may impair your ability to complete this course successfully, please contact the Division of Diversity and Community Engagement, Services for Students with Disabilities, 471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

Religious Holidays: By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holiday, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Emergencies: Please also see the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety/>.

Summary of Important Dates

5-page literature review	September 26
Midterm	October 8
3 Paper Proposal Due	October 17
15 page first draft due	October 29
Final Presentations	December 3, 5
Final Paper Due	December 9
Final Exam	TBA

Class Schedule

Section 1: Introduction and Research Design

August 27: Introduction and Designing Research Projects

Class Goal: I will provide an overview of the class and some ideas for research projects.

Participation Assignment 1: Fill out the class survey on your background and interests.

August 29: Overview of the Class and Economic Development of “Distressed Places”

Class Goal: Think about the barriers to economic development in rural areas as well as urban areas left behind.

Readings:

- CASE STUDY 1: Transforming a Region: Gothenburg's path from Shipyards to E-Mobility
 - This is an example of a case we will read in this class. This one explores Sweden's attempt to modernize an industrial city.
- Saving the Heartland <https://www.brookings.edu/bpea-articles/saving-the-heartland-place-based-policies-in-21st-century-america/>
 - This is a nice overview piece on the issues related to rural economic development. This has been a popular topic for class papers in the past. It is really long! Just focus on the introduction and then save this article for your literature review if you write on economic development.
- Rural Texas is the state's foundation. And it's in jeopardy.
<https://www.texastribune.org/2022/11/07/rural-texas-issues-event-2022/>

September 3: Homelessness in San Francisco, Seattle,...and in Austin

Class Goal: I'll present some material at the first half of class and then we will break into small groups to discuss the cases. The key is to think about how business is a cause and/or a solution to homelessness.

Readings:

- CASE STUDY 2: San Francisco, 2015 #tech #inequality (Online Course Packet)
 - This may seem like a dated case, but read it. A decade ago folks were struggling with the inequality from the tech industry and the impact on homelessness. Know the case, but also try to figure out how things have gotten worse!
- CASE STUDY 3: Starbucks: Opposing a Local Tax to Address Homelessness while Promoting Social Justice

Participation Assignment 2: Pick a major company and what does the company say about sustainability? Does this sound like a real commitment or just PR (greenwashing). How would you know if this is real?

September 5: Sustainability and the Private Sector

Class goal: How can the private sector help make a profit while providing quality jobs and protect the environment?

Readings:

- CASE STUDY 4: Patagonia: Closing the Loop on Packaging Pollution (Online Course Packet)
- Kristin Heist. 2012. How Packaging Protects the Environment. Harvard Business Review. <https://hbr.org/2012/06/how-packaging-protects-the-env>

Section 2: State and Local Economic Development

September 10: Introduction to State and Local Development

Readings:

- CASE STUDY 5: Business Tax Incentives. (Online Course Packet)
- Joseph Parilla and Sifan Liu. 2018. Examining the local value of economic development incentives: Evidence from four US cities. <https://www.brookings.edu/research/examining-the-local-value-of-economic-development-incentives/>
- Jensen, Nathan M. 2018. Do taxpayers know they are handing out billions to corporates? *New York Times*. (April 24, 2018).
- Nathan M. Jensen and Edmund J. Malesky. 2010. FDI Incentives Pay—Politically. *FDI Perspectives*.

Participation Assignment 3: Pick a major city. Can you find out what they offered Amazon HQ2?

September 12: Case Study: Amazon HQ2

Class Goal: Understand what is unique about the Amazon HQ2 search process and what lessons can be learned.

Readings:

- A nearly complete list of the 238 places that bid for Amazon's next headquarters. <https://qz.com/1119945/a-nearly-complete-list-of-the-238-places-that-bid-for-amazons-next-headquarters/>
- Amazon HQ2: How did we get here and what comes next? <https://www.brookings.edu/research/amazon-hq2-how-did-we-get-here-what-comes-next/>
- The Amazon HQ2 Fiasco was no outlier. <https://www.wsj.com/articles/the-amazon-hq2-fiasco-was-no-outlier-11544800749>
- A Better Way to Attract Amazon's Jobs. <https://www.nytimes.com/2019/02/16/opinion/amazon-new-york.html>

September 17: Renewable Energy in Texas and Beyond

Guest Speaker: Jeff Clark, Advanced Power Alliance

Readings: Short news stories to be assigned

Participation Assignment 4: Look for information on a major renewable energy or electric vehicle project in Texas. What are the benefits to the community? What did the community give up to get the projects?

September 19: Topics in State and Local Development (This class might change!)

Class Goal: This class will recap what we have covered thus far and introduce some new topics. The reading load for this week will be light, but you are expected to have caught up with the reading and be ready to discuss any of the previous class readings. I'll add a bunch of news stories the week before the class.

Readings:

- Hunt Allcott, Rebecca Diamond, Jean-Pierre Dubé, Jessie Handbury, Ilya A. Rahkovsky, Molly Schnell. 2018. Food Deserts and the Causes of Nutritional Inequality <https://www.gsb.stanford.edu/faculty-research/working-papers/food-deserts-causes-nutritional-inequality>
- News Stories (Three stories added one week before class)

September 24: Homelessness in Austin:

Guest Speaker: Bill Brice, Downtown Austin Alliance

Participation Assignment 5: Pick a major city in the United States. What is the status of homelessness in the city? What is the strategy to address homelessness?

September 26: NO CLASS. Online simulations

No Readings. 5-page review due

Section 3: Globalization and Business

October 1: Globalization and International Business.

Class Goal: Understand why companies go abroad and what are the general patterns of global investment.

Readings:

- CASE STUDY 6: Chipmaking in the Desert: Taiwan Semiconductor Manufacturing Company's Global Expansion
- Jensen *et al.* 2012. *Politics and Foreign Investment*. Chapter 1.

Participation Assignment 6: We'll do some online simulations. Details to come!

October 3: Bargaining and Competition for Investment

Class Goal: Understand how the competition for investment can shape government policy and what governments can try to do to manage this competition.

Readings:

- Yadong Luo. 2001. Toward a Cooperative View of MNC-Host Government Relations: Building Blocks and Performance Implications. *Journal of International Business Studies* 32 (3): 401-419.
- Layna Mosley and Saika Uno 2007. Racing to the bottom or climbing to the top? Economic globalization and collective labor rights. *Comparative Political Studies*.
- News Stories (Added one week before class)

October 8: Midterm Exam

No Participation Assignment this week (Midterm)

October 10: The Role of Anchors in Local Economic Development.

Guest Speaker: Stephen Pedigo, LBJ School

Class goal: To understand the vital role the anchor institutions in the life of the city and building. To uncover the best practices for building effective partnerships between communities and anchor institutions

Readings: To be announced

October 15: Global Supply Chains and Labor

Readings:

- CASE STUDY 7: The Ready Made Garment Industry (Online Course Packet)
- CASE STUDY 8: Global Sourcing at Nike (Online Course Packet)
- Study Links Nike, Adidas and Apple To Forced Uighur Labor. (Listen to 4 minute audio at top of story).
<https://www.forbes.com/sites/siminamistreanu/2020/03/02/study-links-nike-adidas-and-apple-to-forced-uighur-labor/?sh=69b316171003>

Participation Assignment 7: What are you wearing and where was it made? Literally try to figure out where the products you are wearing were made.

October 17: Supply Chains and Innovation in Fashion

Guest Speaker (Austin Community College Fashion Incubator)

3 PAGE PAPER PROPOSALS DUE IN CLASS. NO READINGS FOR OCT 17.

Section 4: The Influence of Business on Politics

October 22: Guest Speaker: Jamie Katz, Whole Foods

Readings: To be announced

Participation Assignment 8: Pick a politician and tell me how much money they raised for their last election. How much money did their challenger raise? Where did the money come from? Do they get money from a different group of people than their challenger?

October 24: Nonmarket Strategy: Case Study of Target

Readings:

- CASE STUDY 9: Making Target the Target: Boycotts and Corporate Political Activity
- CASE STUDY 10: Rethinking Political Activity at Target

October 29: Globalization and National Security. 15 PAGE PAPER DRAFT DUE!

- CASE STUDY 11: TikTok and National Security: Investment in an Age of Data Sovereignty?
 - Podcast: Biden's China Tech offensive:
<https://podcasts.apple.com/nl/podcast/sarah-bauerle-danzman-on-bidens-china-tech-offensive/id1550442943?i=1000590996670>
- News Piece: 'A sea change': Biden reverses decades of Chinese trade policy
<https://www.politico.com/news/2022/12/26/china-trade-tech-00072232>

Participation Assignment 9: Find a news report on the wildest example of business corruption. Craziest story wins a non-monetary prize.

October 31: Corruption and Business: Case Study of IKEA in Russia

Readings:

- Andrei Schleifer and Robert W. Vishny. 1993. Corruption. *Quarterly Journal Economics* 108 (3): 599-617.
- CASE STUDY 12: Corruption in Russia: IKEA's Expansion to the East (A&B Case)

Section 5: Topics

November 5: Fair Trade

Class Goal: We will catch up on the previous weeks cases. Re-read the cases from the previous classes and we will have a class discussion on fair trade.

Readings:

- CASE STUDY 13: BeautifulCoffee and Fair Trade: Working with Local Farmer Co-operatives in Nepal
- Fair Trade USA. <https://hbsp.harvard.edu/product/B5836-PDF-ENG?itemFindingMethod=Collections>
- Podcast: It is OK to eat quinoa: <https://www.eatthispodcast.com/it-is-ok-to-eat-quinoa/>
- Search: Next time you go to a grocery store see if you can find something claiming to be fair trade. Does it look legit to you? How would you know?

Participation assignment 10: Find an example of a celebrity endorsing a product that is green, or funding a charity that is good for the environment. Can you find any information on the product or charity?

November 7: Business and the Environment: Case Study of Fiji Water

Class Goal: Think about the sustainability of bottled water and other products. What if the underlying business model isn't sustainable?

Readings:

- CASE STUDY 14: Fiji Water. Carbon Negative. (Online Course Packet)
- Podcast: Can Corporations Stop Climate Change:
<https://www.nytimes.com/2020/02/24/podcasts/the-daily/climate-change.html>
- News Stories (Added one week before class)

November 12: Company Supply Chains and Human Rights: Case Study of Intel

Class Goal: Understand why it so difficult to monitor supply chains. Why would businesses put in the effort to monitor these supply chains?

Readings:

- CASE STUDY 15: Looking Inside: Intel and Conflict Minerals (Online Course Packet)
- Research Article: Ann Harrison and Jason Scorse. 2008. Multinationals and Anti-Sweatshop Activism. *American Economic Review* 100 (1): 247-273.
- The Inflation Reduction Act Is the Start of Reclaiming Critical Mineral Chains
<https://foreignpolicy.com/2022/09/16/inflation-reduction-act-critical-mineral-chains-congress-biden/>

November 14: Firm Expansion and National Regulations: Case Study of Netflix

Class Goal: Why does Netflix struggle with their international expansion? Are there other industries that share similar characteristics?

Readings:

- CASE STUDY 16: Netflix: International Expansion (Online Course Packet)
- News Article: Liberals want to force Netflix, Disney Plus and Amazon Prime to show more Canadian content. <https://nationalpost.com/news/politics/liberals-want-to-force-netflix-disney-plus-and-amazon-prime-to-show-more-cancon>
- Search: Search online for “Netflix” and “digital tax” and you will find examples of Netflix struggling with policy change around the world.

November 19: Business and Human Trafficking: Case Study of Hilton

Class Goal: Understand the extent of human trafficking, how it occurs, and why business and government can do to try to stop it.

Readings:

- CASE STUDY 17: Hilton: Combating Human Trafficking. (Online Course Packet)
- News Article: The State of Human Trafficking in Sports in 2019.
https://www.espn.com/espn/story/_/id/27263771/the-state-human-trafficking-sport-2019

- Report: Human Trafficking by the Numbers: The Initial Benchmark of Prevalence and Economic Impact for Texas. (Read the Executive Summary).
<https://repositories.lib.utexas.edu/bitstream/handle/2152/44597/idvs-a-2016-human-trafficking-by-the-numbers.pdf?sequence=2&isAllowed=y>
- News Stories (Added one week before class)

November 21: Global Taxation of Business: Case Study of Apple

Class Goal: Understand the complexity of taxing companies like Apple, including how these companies can use their international operations to reduce their taxes.

Readings:

- James Hines Jr. Treasure Islands. *Journal of Economic Perspectives* 24 (4): 103-124.

November 23, 25: Thanksgiving break

December 3 Final Presentations

December 5 Final Presentations

December 9 Final Paper due

Final Exam: Date to be determined