

# **Business and Society**

Professor Nate Jensen

Unique ID: 38235

TTH 11:00-12:30, MEZ 1.212

## **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 12:30-2, Thur 12:30-2

Email: natemjensen@austin.utexas.edu

### **Teaching Assistant:**

Office Hours: TBA

Email:

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/1014521>

## **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 (10%)**

10% is based on a small number of participation assignments in the class. These are easy assignments due each Thursday before class. There are a total of 12 of these assignments. You can miss two of them and still get the full credit. But no extra 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 (35%)**

One major requirement in this course is a paper assignment. You are to pick one of the three options. 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 35% 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	15%

## 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

Feb 9	5-page literature review
Feb 21	Midterm
March 2	3 Paper Proposal Due
March 14,16	Spring Break
March 21	15 page first draft due
April 18-April 20	Final Presentations
April 24:	Final Paper Due
TBA	Final Exam

## Class Schedule

### Section 1: Introduction and Research Design

#### Jan 10: Introduction and Designing Research Projects

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

#### Jan 12: Overview of the Class and Rural Economic Development

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

##### Readings:

- Case Study 1: 2022: A Tumultuous Year in ESG and Sustainability
  - This is just an interesting overview of some business and society stories for the year
- 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.
- A Policy Renaissance Is Needed for Rural America to Thrive  
<https://www.nytimes.com/2022/12/27/opinion/rural-america-left-behind-places.html?smtyp=cur&smid=tw-nytimes>
- Rural Texas is the state's foundation. And it's in jeopardy.  
<https://www.texastribune.org/2022/11/07/rural-texas-issues-event-2022/>

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

#### Jan 17: 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 is business a cause and/or a solution to homelessness.

##### Readings:

- CASE STUDY 2: San Francisco, 2015 #tech #inequality (Online Course Packet)
- CASE STUDY 3: Starbucks: Opposing a Local Tax to Address Homelessness while Promoting Social Justice

#### Jan 19: 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>

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?

### **Jan 24: 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 5: BeautifulCoffee and Fair Trade: Working with Local Farmer Cooperatives 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?

## **Section 2: State and Local Economic Development**

### **Jan 26: Introduction to State and Local Development**

#### Readings:

- CASE STUDY 6: 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: Go to your hometown's economic development website. What can you find? What is the city's strategy for development? Is this is clear goal and a strategy? Do you think it is working?

### **Jan 31: 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

## **Feb 2 Topics in State and Local Development**

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)

Participation Assignment 4: Found your own news story on economic development. It can be anything, anywhere in the world. Just give me a couple sentence summary.

### **Feb 7 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>

### **Feb 9 In Class Simulations or Guest Speaker**

**No Readings. 5-page review due**

Participation Assignment 5: Pick a major city. Can you find out what they offered Amazon HQ2?

### **Section 3: Globalization and Business**

#### **Feb 14 Globalization and International Business.**

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

Readings:

- Jensen *et al.* 2012. *Politics and Foreign Investment*. Chapter 1.
- IBM Global Location Trends

- News Stories (Added one week before class)

### **Feb 16 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)

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

### **Feb 21: Midterm Exam**

### **Feb 23: Globalization and National Security**

- CASE STUDY 7: TikTok and National Security: Investment in an Age of Data Sovereignty?
- Podcast: Biden's China Tech offensive:  
<https://podcasts.apple.com/us/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 7: Do you think that TikTok or other technologies, including AI are a national security concern? No research needed. I just wanted to hear your opinion.

### **Feb 28: Company Supply Chains: Case Study of Bangladesh**

#### Readings:

- CASE STUDY 8: The Ready Made Garment Industry (Online Course Packet)
- News Stories (Added one week before class)

### **March 2: Company Supply Chains and Labor: Case Study of Nike**

**3 PAGE PAPER PROPOSALS DUE IN CLASS. NO PARTICIPATION ASSIGNMENT THIS WEEK.**

#### Readings:

- CASE STUDY 9: 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/>

<apple-to-forced-uighur-labor/?sh=69b316171003>

## Section 4: The Influence of Business on Politics

### March 7: Firms and Political Influence in the US

Class Goal: In what ways does money affect politics? What are the solutions to having “too much money” in politics?

#### Readings:

- Stephen Ansolabehere, John M. de Figueiredo, and James M. Snyder. Why is There So Little Money in U.S. Politics? *Journal of Economic Perspectives* 17 (1): 105-130.
- Abby Wood. Campaign Finance Disclosure. <https://www.annualreviews.org/doi/10.1146/annurev-lawsocsci-110316-113428>
- Kay Lehman Schlozman. Other Kinds of Political Money. <https://scholars.org/other-kind-political-money>
- Nicholas Carnes. The Cash Ceiling. <https://scholars.org/cash-ceiling>

### March 9: Nonmarket Strategy: Case Study of Target

#### Readings:

- CASE STUDY 10: Making Target the Target: Boycotts and Corporate Political Activity
- CASE STUDY 11: Rethinking Political Activity at Target

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?

### March 14: Spring Break

### March 16: Spring Break

### March 21: Corruption and Business. 15 PAGE PAPER DRAFT DUE!

#### Readings:

- Andrei Schleifer and Robert W. Vishny. 1993. Corruption. *Quarterly Journal Economics* 108 (3): 599-617.
- News Stories (Three added one week before class)

### March 23: Corruption and Business: Case Study of IKEA in Russia

#### Readings:

- CASE STUDY 12: Corruption in Russia: IKEA's Expansion to the East (A&B Case)

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

## Section 5: Topics

### March 28: Business and the Environment

Readings:

- Readings to be added one week before the class. We will focus on recent policy proposals on the environment. This policy area is moving quickly from the U.S. Inflation Reduction Act to European border carbon tax proposals.

**March 30: 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 13: 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)

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?

**April 4: 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 14: 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/>

**April 6: 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 15: 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.

Participation Assignment 11: What are you wearing and where was it made? Literally try to figure out where the products you are wearing were made.

## **April 11 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 16: 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](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)

## **April 13 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:

- CASE STUDY 17: Tech Giants, Taxes, and a Looming Global Trade War (Online Course Packet)
- James Hines Jr. Treasure Islands. *Journal of Economic Perspectives* 24 (4): 103-124.
- News Stories (Added one week before class)

Participation Assignment 12: Pick a major company. Any company. See if you can find a story on how much they pay in corporate taxes in the US. What about abroad?

**April 18      Final Presentations**

**April 20      Final Presentations**

**April 24:      Final Paper due**

**Final Exam: Date to be determined**