

EP&E 309
Democracy Incorporated: Business Politics and Ethics
Fall 2021

Course Syllabus (*updated: 09/10/2021*)

Yale University
Program on Ethics, Politics and Economics
Thursdays 3:30–5:20 pm, William L. Harkness Hall 006

Instructor: Tiago Peterlevitz
tiago.peterlevitz@yale.edu
Office Hours: By Appointment, Room TBD or Zoom

Course Description

Until recently, business corporations and the market economy were mostly associated with the promotion of individual freedoms and the advancement of political rights. Technological change, economic deregulation, and market concentration have increased the power of business corporations. This growing power has led many citizens to believe that corporations are now disempowering individuals. How is corporate power used for political purposes? Where should societies draw the line limiting the transformation of economic into political power? These are the main questions that motivate this seminar, in which we will investigate the relationship between politics and business. We will study how corporations attempt to influence public policy and how political actors seek to shape corporate decisions. We will also examine how political institutions and democratic accountability affect government-business relations. Throughout the course, we will pay close attention to research design and the effective communication of research findings. Students will have the opportunity to collect original data for their papers through an online survey. Discussions will also emphasize the normative implications of powerful corporations to democracy and democratic theory.

Class Format

Class will be a mix of lectures and discussions. Students should be prepared to contribute to class discussions. The mandatory readings should be done by all students before class. The optional readings should be done by interested students and those whose reading responses or research paper focus on the topic of the week. Readings will be posted on Canvas. Written assignments will be used to make students think critically, connect theory and evidence, and develop logical arguments.

Course Evaluation

- Individual Participation and Attendance: 30%. Participation and attendance will be registered and rewarded.

- Reading Responses: 20%. Students will prepare two reading responses developing a critical review of the weekly readings. Responses should be sent by email to the instructor the evening before class by 8 pm. Students will choose the weeks in which they will submit responses on the first day of class, when detailed instructions will be provided. Responses should have two or three double-spaced pages. Students will present the main points of their responses to the class.
- Research Paper: 50% (Proposal 15%, Presentation 10%, and Final Paper 25%). Students will prepare an academic research paper (containing abstract, introduction, literature review, theory and hypotheses, research design and data, results, conclusion, and bibliography) with approximately 20–25 double-spaced pages. The topic of the paper should speak directly to the themes covered in class and should be authorized by the instructor. A grading rubric will be provided so students know how their work will be evaluated. A five-page paper proposal summarizing the literature and theory is due in Week 6. Students will have the opportunity to collect original data through an online survey that will be conducted with all EP&E students (highly encouraged but not mandatory). Survey questions should be submitted by Week 9. Survey data will be available by Week 12. During Weeks 14 and 15, students will present the main ideas of their research paper to their colleagues. After receiving feedback from the instructor and course colleagues, students should submit the final paper in Week 16. The proposal and paper should follow the APSA Style Manual (<https://connect.apsanet.org/stylemanual/>)

Students with Disabilities

I am eager to cooperate with any special needs that students have. Please see the Student Accessibility Services in order to follow the proper protocol and come talk to me.

Academic Integrity

Integrity is a crucial part of the academic experience. Students are responsible for knowing what constitutes plagiarism. Make sure to read our university's policies on plagiarism: <http://yalecollege.yale.edu/content/cheating-plagiarism-and-documentation>. Plagiarism is a serious offense. The first offense will be penalized with an F for the assignment. A second offense will be punished with an F for the class. You must always do your own work, and you may never plagiarize or cheat on tests or papers. In all written work and exams, you may paraphrase and cite your class notes, but do not copy sentences or fragments of sentences word for word from any textbook, journal, newspaper, magazine, book, or on-line source. You must cite all references made within your written work, whether quoted directly or paraphrased.

Course Schedule and Readings (subject to change with advance notice)

Week 1, Sep 2: Course Introduction and Organization

Week 2, Sep 9: Business Corporations and Politics: Empowering or Disempowering Citizens?

- *Mandatory*: Wolin, Sheldon S. (2017). “Democracy Incorporated: Managed Democracy and the Specter of Inverted Totalitarianism”. New Edition. Princeton University Press. Preface, Introduction to the 2017 Edition, and Chapters 3, 8, 11, and 13. [Available online on Orbis].

Week 3, Sep 16: Trade and Investment

- *Mandatory*: Pandya, Sonal S. (2016). “Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century.” *Annual Review of Political Science* 19: 455–475.
- *Mandatory*: Kim, In Song and Iain Osgood (2019). “Firms in Trade and Trade Politics.” *Annual Review of Political Science* 22: 399–417.
- *Optional*: Osgood, Iain et al. (2017). “The Charmed Life of Superstar Exporters: Survey Evidence on Firms and Trade Policy” *The Journal of Politics* 79(1): 133–152.

Week 4, Sep 23: Business Regulation

- *Mandatory*: Pearson, Margaret M. (2005). “The Business of Governing Business in China: Institutions and Norms of the Emerging Regulatory State.” *World Politics* 57(2): 296–322.
- *Mandatory*: Vogel, David. (2008). “Private Global Business Regulation.” *Annual Review of Political Science* 11: 261–282.
- *Optional*: Wallsten, Scott J. (2009). “An Econometric Analysis of Telecom Competition, Privatization, and Regulation in Africa and Latin America.” *The Journal of Industrial Economics* 49(1): 1–19.

Week 5, Sep 30: Corporate Social Responsibility

- *Mandatory*: Bénabou, Roland and Jean Tirole. (2010). “Individual and Corporate Social Responsibility.” *Economica*. 77(305): 1–19.
- *Mandatory*: Bernhagen, Patrick and Neil J. Mitchell. (2010). “The Private Provision of Public Goods: Corporate Commitments and the United Nations Global Compact.” *International Studies Quarterly* 54(4): 1175–1187.

- *Mandatory*: Araña, Jorge E. and Carmelo J. León. (2013). “Dynamic Hypothetical Bias in Discrete Choice Experiments: Evidence from Measuring the Impact of Corporate Social Responsibility on Consumers Demand.” *Ecological Economics*. 87: 53–61.

Week 6, Oct 7: Lobbying (Paper Proposal Due)

- *Mandatory*: Bombardini, Matilde and Francesco Trebbi (2020). “Empirical Models of Lobbying.” *Annual Review of Economics* 12: 391–413.
- *Mandatory*: Hertel-Fernandez, Alexander. (2014). “Who Passes Business’s “Model Bills”? Policy Capacity and Corporate Influence in US State Politics.” *Perspectives on Politics* 12(3): 582–602.
- *Optional*: Giger, Natalie and Heike Klüver (2016). “Voting Against Your Constituents? How Lobbying Affects Representation.” *American Journal of Political Science* 60(1): 190–205.

Week 7, Oct 14: Campaign Donations

- *Mandatory*: Kalla, Joshua L. and David E. Broockman. (2016). “Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment.” *American Journal of Political Science* 60(3), 545–558.
- *Mandatory*: Boas, Taylor C., F. Daniel Hidalgo and Neal P. Richardson. (2014). “The Spoils of Victory: Campaign Donations and Government Contracts in Brazil.” *Journal of Politics* 76(2): 415–429.
- *Optional*: Gilens, Martin, Shawn Patterson Jr. and Pavielle Haines. (2021). “Campaign Finance Regulations and Public Policy” *American Political Science Review* 115(3):1074–1081.

Week 8, Oct 21: No Class (October Break)

Week 9, Oct 28: Privatization (Survey Questions Due)

- *Mandatory*: Vickers, John and George Yarrow. (1991). “Economic Perspectives on Privatization.” *Journal of Economic Perspectives*, 5(2), 111–132.
- *Mandatory*: Busemeyer, Marius R. and Kathleen Thelen. (2020). “Institutional Sources of Business Power.” *World Politics*, 72(3), 448–480.

- *Optional*: Murillo, Maria V. (2002). “Political Bias in Policy Convergence: Privatization Choices in Latin America.” *World Politics* 54(4): 462–493.

Week 10, Nov 4: Outsourcing Public Services

- *Mandatory*: Grimshaw, Damian, Steve Vincent and Hugh Willmott. (2002). “Going Privately: Partnership and Outsourcing in UK Public Services.” *Public Administration* 80(3): 475–502.
- *Mandatory*: Petersen, Ole H., Ulf Hjelmar and Karsten Vrangbaek. (2018). “Is Contracting Out of Public Services still the Great Panacea? A Systematic Review of Studies on Economic and Quality Effects from 2000 to 2014.” *Social Policy & Administration* 52(1):130–157.
- *Optional*: Dahlström, Carl, Marina Nistotskaya and Maria Tyrberg. (2018). Outsourcing, Bureaucratic Personnel Quality and Citizen Satisfaction with Public Services. *Public Administration* 96(1): 218–233.

Week 11, Nov 11: Corruption and Clientelism

- *Mandatory*: Peterlevitz, Tiago. (2021). “Patronage Contracting.” Working Paper, Yale University.
- *Mandatory*: DeBacker, Jason, Bradley T. Heim and Anh Tran. (2015). “Importing Corruption Culture from Overseas: Evidence from Corporate Tax Evasion in the United States.” *Journal of Financial Economics* 117(1): 122–138.
- *Optional*: Zhu, Boliang. (2017). “MNCs, Rents, and Corruption: Evidence from China.” *American Journal of Political Science* 61(1): 84–99.

Week 12, Nov 18: Profiting from Polarization and Misinformation

- *Mandatory*: Ryan, Timothy J. (2012). “What Makes Us Click? Demonstrating Incentives for Angry Discourse with Digital-Age Field Experiments.” *The Journal of Politics* 74(4): 1138–1152.
- *Mandatory*: Melford, Clare and Craig Fagan. (2019). “Cutting the Funding of Disinformation: The Ad-Tech Solution.” Report, The Global Disinformation Index.
- *Mandatory*: Braun, Joshua A., John D. Coakley and Emily West. (2019). “Activism, Advertising, and Far-Right Media: The Case of Sleeping Giants.” *Media and Communication* 7(4):68–79.

Week 13, Nov 25: No Class (November Break)

Week 14, Dec 2: Student Presentations Day 1

Week 15, Dec 9: Student Presentations Day 2

Week 16, Dec 16: Final Paper Due