

**PPD 357: Government and Business**  
**School of Policy, Planning and Development**  
**University of Southern California**  
**Kimberly Freeman, MPP, MBA**

**Class:** Wed 6:00 PM – 9:20 PM, VKC 200

**E-mail:** [freemank@usc.edu](mailto:freemank@usc.edu)

**Office Hours:** TBA, please e-mail professor to make appt.

**Course Overview:** The business firm is an important institution in society; however, citizens and public decision makers lack a full understanding of its role in the public domain and how its behavior is affected by public policy. Indeed, the actions of governments profoundly affect private decision-making. If public decision makers do not understand the effects of their actions, they risk creating unintended consequences that could defeat their goals. Moreover, in a democracy, all citizens need to understand and appreciate the roles of different institutions and how they interact.

This course explores the effects of a variety of public policies (including antitrust and tort laws, economic, land use and social regulations) on business firms and on the collective goals of society. These effects will be considered in the context of the overall business, government, and society relationship within the United States and other select countries. A comparative focus will enable us to address the role of different economic, social, and political institutions on this relationship.

This course is expected to provide the insight that can be gained from looking at the same issue from both the public and business perspectives. The goal is to broaden your knowledge and perspective of this important topic as you are going to be important decision makers affecting and shaping the future of our communities. Whether or not you choose to pursue a career in this field, a solid understanding of the intersection of government and business through public policies will help you become a better informed citizen.

**Prerequisite:** At least one course covering the principles of microeconomics.

**Required Texts:** Lawrence, Anne T. and Weber, James, Business & Society: Stakeholders, Ethics, Public Policy; Lehne, Richard, Government and Business: American Political Economy in Comparative Perspective; Sinclair, Upton, The Jungle (ISBN 978-0743487627); Schumpeter, Joseph, Capitalism, Socialism and Democracy (ISBN 978-0-06-156161-0); Carson, Rachel, Silent Spring (ISBN 0-395-68329-7).

**Recommended Text:** Basic microeconomics text, e.g., Pindyck & Rubinfeld, Microeconomics.

**Course Requirements:**

1. Final Exam, 25%
2. Team Project – Analysis of a Firm, 20%
3. Class Participation (includes book and film discussions, journal, case studies), 25%
4. Weekly Readings (e.g., NY Times, Wall Street Journal, International Herald Tribune, BusinessWeek), 15%
5. Individual Project – Agency Papers, 10%
6. Field Trip, 5%

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**Course Requirements**

**1. Final Exam, 25%**

The exam will be open book (textbook and course reader only) and will test your understanding of the course materials (i.e., readings, lectures, guest presentations, video presentations, case studies), focusing on the big picture. The final exam will be comprehensive, covering the entire course. The format may include short answer, multiple choice and essay. Final exam review will take place in Week 16.

**2. Team Project – Analysis of a Firm, 20%**

In this paper, your team will follow a publicly traded firm throughout the semester in order to understand its position within the domestic and global marketplace and to provide you with a lens through which you view many of the issues we discuss and read about in class. You will also consider a specific government intervention faced by the firm you have selected (e.g., product labeling requirements, emission controls, trade restrictions) and analyze the impact of the intervention from the perspective of society. The intervention can be at any level of government or can be at multiple levels. Your analysis must explicitly include the following parts: a) rationale for the intervention, i.e., what is the societal problem and why we cannot rely upon the private sector to address it, b) the nature and history of the regulatory intervention (if relevant, include a comparative perspective – e.g., what are other countries doing?), c) an assessment of the cost and benefits of the intervention for consumers, the firm, and society as a whole, and d) your assessment of the wisdom of this particular intervention. Assignments are late if turned in after the announced due date and time. More information will be shared about this in Week 3.

**3. Class Participation (includes book discussions (3), role play, case studies), 25%**

The class format is varied, including lectures, group discussions, guest speakers, and panel presentations. Attendance is critical. You are expected to show up and actively participate and contribute; active participation in class sessions is expected and necessary for the successful completion of this course. This will include weekly discussions of relevant business-government issues raised in periodicals (see below). In addition, during the panel discussions you are expected to explore the themes raised during the week's assigned readings and films.

**Some Guidance On Class Participation:**

- Arrive on time and stay for the entire evening.
- Complete assignments on time.
- Actively participate in discussions: make observations, ask questions, volunteer examples, and draw connections between materials presented and current events.
- Treat your colleagues and professor with courtesy & respect.
- Silence your cell phones, Blackberries, and all other similar devices.
- Limit your computer use to note taking.
- No texting, gaming, phone calls or web-surfing during class.

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Course Requirements (cont.)

**4. Weekly Readings (e.g., NY Times, Wall Street Journal, International Herald Tribune, or BusinessWeek), 15%**

You must be prepared to initiate and discuss current events within the context of this class. In your readings, aim to apply the concepts and ideas you are learning to real world events as this will aid in your understanding of the course materials.

**5. Individual Project – Agency Papers, 10%**

You will submit a 3-page briefing paper on one of the agencies listed (e.g., EPA, LA DWP, SEC, DOJ – Antitrust Division, CPSC, FCC, California Air Resources Board). In this paper, you will summarize the purpose of the agency, the industry (industries) regulated by it, the current policy issues confronting the agency, and any other relevant information you wish to discuss. Assignments are late if turned in after the announced due date and time. More information will be shared about this project in Week 2.

**6. Field Trip, 5%**

We will take one field trip to a Los Angeles City Hall Meeting. A one-page list of key information discussed during the visit to City Hall will be turned in for credit. This trip will be worth 5% of your grade.

**Statement for Students with Disabilities:** Any student requesting academic accommodations based on disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 AM – 5:00 PM, Monday through Friday. The phone number for DSP is (213) 740-0776.

**Statement on Academic Integrity:** USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless allowed by the instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. Scampus, the Student Guidebook, contains the Student Conduct Code in Section 11.00, when the recommended sanctions are located in Appendix A:  
<http://www.usc.edu/dept/publications/SCAMPUS/gov/>. Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The review process can be found at:  
<http://www.usc.edu/student-affairs/SJACS/>.

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**Class Schedule**

**Module 1: Business and Government Overview – Rise of Big Business**

***Week 1 – August 25: Class Introduction and Overview***

Class Discussion: “Getting to Know You”

Required Reading: one **business and government** article from publication of your choice; Chapter 1, Lehne, “*Origins of Government & Business*”; Chapter 1, Lawrence and Weber, “*The Corporation and Its Stakeholders*”

***Week 2 – September 1: Government***

Class Discussion: selection of agencies for agency papers, film debrief, current events

Required Reading: one **regulatory** article from publication of your choice; HBR article, Handy, “*What’s A Business For?*”; Chapter 2, Lehne, “*Creating Government-Business Relations*”; Chapter 8, Lawrence & Weber, “*Business-Government Relations*”

**Film: Chinatown**

**Film: Inventing LA: The Chandlers and Their Times – please watch online at [www.kcet.org](http://www.kcet.org)**

**\*\*\*Field Trip: Los Angeles City Hall (complete by 9/15/10)**

***Week 3 – September 8: Markets and Firms (Wall Street)***

**Guest Speaker**

Class Discussion: selection of firms for team projects, Enron case study, film debrief, book discussion

Required Reading: Schumpeter, Capitalism, Socialism, and Democracy, Part II, “*Can Capitalism Survive?*”; one **business** article from publication of your choice; IMD International case, “*The Enron Collapse*”; Lawrence & Weber, “*The Collapse of Enron*”

**Films: Wall Street and Wall Street: Money Never Sleeps (opens nationwide on Friday, September 24)**

**Module 2: Maintaining Competition – National and International Markets**

***Week 4 – September 15: Antitrust (Collusion, M&A)***

Class Discussion: De Beers case study, current events, film debrief

Required Reading: one **antitrust** article from publication of your choice; HBS, “*Forever De Beers and US Antitrust Law*”; Chapter 12, Lehne, “*Antitrust and Competition in the New Economy*”; Chapter 10, Lawrence and Weber, “*Antitrust, Mergers & Competition Policy*”

**Film: The Constant Gardener**

***Week 5 – September 22: Intellectual Property in the Digital Age***

**Guest Speaker: Jay Tucker, USC**

Class Discussion: Napster and Intellectual Property case studies, current events

Required Reading: Ivey School of Business case, “*Napster and MP3: Redefining the Music Industry*”; Stanford case study, “*Finding the Balance: Intellectual Property in the Digital Age*”; one **intellectual property** article from publication of your choice; Chapter 13, Lawrence & Weber, “*Technology: A Global Economic and Social Force*”; Chapter 14, Lawrence & Weber, “*Managing Technological Challenges*”

**\*\*\*Agency Papers Due**

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**Module 2: Maintaining Competition – National and International Markets (cont.)**

***Week 6 – September 29: Consumer Protection and Social Regulation***

**Guest Speaker:** [Charlie Woo, Megatoys](#)

Class Discussion: current events, AIDS in Africa case study

Required Reading: one **consumer protection** article from publication of your choice; HBS case study “*Life, Death & Property Rights: The Pharmaceutical Industry Faces AIDS in Africa*”; Chapter 15, Lehne, “*Business As A Social Actor*”; Chapter 16, Lawrence & Weber, “*Consumer Protection*”

**Module 3: Environmental/Economic Regulation and  
Economic “Re”regulation – Modern US Economy**

***Week 7 – October 6: Environmental Regulation (Air and Water Quality)***

Class Discussion: book discussion, film debrief

Required Reading: Rachel Carson, *Silent Spring*; one **environmental** article from publication of your choice; Chapter 12, Lawrence & Weber, “*Managing Environmental Issues*”

**Film:** [Erin Brockovich](#)

***Week 8 – October 13: Economic Regulation (Energy, Jobs, Technology)***

Class Discussion: film debrief, current events, review of first 7 weeks of class

Required Reading: one **technology** article from publication of your choice; Review Chapter 12, Lawrence & Weber

**Film:** [Who Killed the Electric Car?](#)

***Week 9 – October 20: Economic “Re”regulation (Banking and Financial Services)***

**Guest Speaker:** [Kyle Davis, Smith-Barney, and Paul Turner, The Greenlining Institute](#)

Class Discussion: Eliot Spitzer case study, current events

Required Reading: one **financial reform** article from publication of your choice; HBS Case Study “*Eliot Spitzer: Pushing Wall Street to Reform*”; Chapter 10, Lehne, “*Business & Economic Policy*”; Chapter 11, Lehne, “*Regulatory Policy*”

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**Module 4: Stakeholder Relations – Leadership**

***Week 10 – October 27: Public Advocates: Shareholders, Employees, Consumer Groups and Social Activists***

**Guest Speaker: Victoria Browder, Los Angeles Alliance for a New Economy (LAANE)**

Class Discussion: book discussion, current events

Required Reading: Upton Sinclair, *The Jungle*; one **public advocates** article from publication of your choice; Chapter 6, Lehne, “*The Advocacy Environment: Public Opinion, Unions and Groups*”; Chapter 15, Lawrence & Weber, “*Stockholder Rights and Corporate Governance*”

**Film: Food Inc.**

**\*\*\*Optional Field Trip: Los Angeles Area Chamber of Commerce (complete by 11/25/10)**

***Week 11 – November 3: Business Participation in Politics***

**Guest Speaker: Paul Vizcaino, political consultant**

Class Discussion: November 7 election results

Required Reading: one **election** article from publication of your choice; Chapter 7, Lehne, “*Corporations and Business Associations in the Political Arena*”; Chapter 9, Lawrence & Weber, “*Influencing the Political Environment*”

**Film: Inventing LA: The Chandlers and Their Times – please watch online at [www.kcet.org](http://www.kcet.org)**

***Week 13 – November 10: Private Advocates: Lobbyists, Government Relations***

**Guest Speaker: Monica Gil, The Nielsen Company**

Class Discussion: film debrief, current events

Required Reading: one government relations article from publication of your choice; Chapter 8, Lehne, “*Lobbying Connections*”; Chapter 20, Lawrence & Weber, “*Business & The Media*”

**Film: Thank You For Smoking**

**Module 5: The Future of the Relationships Between**  
**Government and Business -- Globalization**

***Week 14 – November 17: Public/Private Partnership***

**Guest Speaker: Margie Wheeler, Metropolitan Water District (MWD)**

Class Discussion: current events

Required Reading: one **public/private partnership** article from publication of your choice; Chapter 17, Lawrence & Weber, “*The Community and the Corporation*”

***Week 15 – November 24: Globalization and the Changing Nature of Work***

**Guest Speaker: Nike Irvin, education consultant**

Class Discussion: film debrief, current events

Required Reading: one **climate crisis** article from publication of your choice; Chapter 7, Lawrence & Weber, “*The Challenges of Globalization*”; Chapter 11, Lawrence & Weber, “*Ecology and Sustainable Development in Global Business*”

**Film: An Inconvenient Truth**

***Week 16 – December 1: Final Exam Review, Presentations***

***Final Exam – December 8***