

Dissatisfaction with democratic governments is at a record high. This class helps students understand **how government policies emerge** from a complex interplay of interest groups, parties, polarization, and elections, and **what that means for business**.

Overview

- 1. How does government actually work, and why does it seem to fail so often?** We will tap a vast body of political economy research to develop conceptual models of how government functions and why it often seems to fail.

TOPICS:

Voting and elections

Interest groups

Technocracy

Rational ignorance

Polarization

- 2. How does government policy affect business?**

TOPICS:

Price controls

Entry barriers

Workplace conditions

Environmental protection

- 3. How do business interests affect government?**

TOPICS:

Campaign spending

Lobbying

Crony capitalism

- 4. How do you manage a business in a world with politics?**

TOPICS:

Goals of the firm

Stakeholder capitalism

ESG

About the instructor



John Matsusaka is an economist and political scientist who has studied democracy, politics, corporate governance, and

corporate finance for 30 years. His most recent book, *Let the People Rule* (2020), explains why democracies across the globe are adrift, and what can be done to give the people more control.

In addition to his three decades teaching at USC, he has been a visiting professor at Stanford and the University of Chicago. He consulted for the White House Council of Economic Advisors and is a frequent media commentator. He served as Marshall's vice dean for undergraduate programs, where he founded the WBB program.

