BUSINESS AND POLITICS

Fall semester 2023/24 (2 credits, 4 ECTS credits)

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Class meetings: Tuesdays 16:30-17:30 and 17:40-18:40

Office hours:
Regular consultations will be offered on Wednesdays, 10:30-11:30 (by appointment) and Thursdays, 16:00-17:00 (by appointment). The office hours will be held on-site in my office (QS A408) and/or in MS Teams. Send me, please, an e-mail indicating when you would like to talk to me and what about (your course performance, your research ideas in general, etc.). An individual consultation can be arranged on different days and time slots if requested via email to: melnykovskai@ceu.edu

Introduction to the topic

This seminar course delves into contemporary debates surrounding the influence of business entities on politics, policy-making processes, and societies, while also examining the politico-economic systems that arise from interactions between businesses, states, and societies. Throughout this course, we will investigate the various mechanisms employed by businesses to safeguard their interests and property rights, as well as to gain and wield political influence both in domestic and foreign policy arenas. Additionally, we will scrutinize the strategies employed by governments, political actors and international organizations to shape business preferences and behavior.

Our comparative approach encompasses not only advanced democracies and market economies but also includes hybrid and illiberal regimes. In addition to covering traditional topics related to business-state interactions such as corporate lobbying, raiding, state/business capture, corporate social responsibility, and political activism, and the concept of developmental/predatory states, we will delve into the most recent developments. This includes the role of businesses in shaping national policy responses to the COVID-19 pandemic, their reactions to the Russian war against Ukraine, and corporate strategies in the evolving geopolitical landscape.

Through case studies, discussions, and research projects, students will gain a comprehensive understanding of the dynamic interactions between the business and political realms.

Course organization

The course would include the professor's interactive lectures as well group exercises and discussions. The course will also involve pre-class activities that need to be completed before the class sessions, including compulsory readings and posting questions and comments on the readings on Moodle.

The course consists of 12 topics. Each topic runs for one week. Each week follows the schedule:

(1) Readings and comments: students are asked to read the assigned articles or chapters and comment on them on Moodle (Discussion Forum) before the class sessions. The comments could be your thoughts about what you are reading, reflections on important concepts, open questions, another viewpoint on the subject, etc.
(2) In the class, the professor will introduce students to contemporary research, theoretical approaches and debates on the topic of a week. Thereafter we will have discussions and/or group work related to the topic of the week.

Learning outcomes

At the end of the course, you will

- gain the understanding of the key concepts and theoretical approaches addressing business-government-society interactions;

- understand the interaction mechanisms between businesses, state actors and society;

- accumulate the knowledge about empirical cases of partnership and conflict between businesses and the state

- explore the political, legal, economic, and social roots of business-state interactions in different regional context

- know specifics of business-state relations in advanced democracies, democratizing and illiberal regimes;

Skills and Competences

Throughout the course, you will

- learn how to identify empirical puzzles and how to address them with theoretical knowledge and methodological tools;

- be skilled in 'translation' of research findings into practical policy recommendations.

Course requirements and assessment

The grading follows the standard scale adopted by the Department of Political Science
A: 100-96; A-: 95-88; B+: 87-80; B: 79-71; B-: 70-63; C+: 62-58; F: 57-0

The final grade will be composed as follows:

- Active participation, including questions, comments, etc. on assigned reading(s) posted on Moodle prior to the class sessions OR active participation during in-class discussions and group work exercises – 20%
- Reflection on op-ed – 15%
- Case of business-government interaction (written or oral) – 30%
- Research proposal – 35%

Active participation score will take equally into account students' contributions in both asynchronous and synchronous class activities. There is no minimal requirement or maximal limitation on the number of students' contributions on Moodle or during class sessions.

Apart from the quantitative performance, the quality of the students' contributions will count a lot. To be successful students should deeply engage with the readings through posting informative questions or comments, and helping others by addressing their questions or confusions.

To do well on this part of the grade I recommend you the following strategy: participate regularly, make informed contributions (by the mandatory readings at least! references to additional literature are welcome), focus on the main points and argumentation lines of the readings, demonstrate critical engagement with the readings, formulate your statements clearly and support them with explanatory argumentation, respond to others in discussions and pose own new & follow-up questions. Taking over the roles of a presenter or a note taker in the group work exercises will add to the score.

Active participation will be evaluated taking into account all your contributions and scored as follows

A = demonstrates exceptionally thoughtful and thorough comments and questions on the entire assignment that meaningfully relate to some additional readings and previous knowledge of empirical cases;

A- = demonstrates thoughtful and thorough comments and questions on the entire assignment;

B+ = demonstrates thoughtful reading of only part of the assignment;

B = demonstrates superficial reading of the entire assignment;

B- = demonstrates superficial reading of only part of the assignment;

C+ = demonstrates no substance; does not demonstrate any thoughtful engagement and interpretation of the assignment.

Each student is asked to write a *reflection on a recent op-ed article*, comment or similar addresses business involvement in politics, interaction with the state and/society and reflect on this op-ed with reference to the knowledge acquired in the course. Word limit: 500 words.

Each student prepares the overview of a *case of business-government interaction* (written or oral presentation). Students can choose a case that interests them. The selected case should involve a significant interaction or issue between a specific business or industry and a government or governmental body. The case essay should not exceed 1500 words. The case could address the following points, if relevant:

Case Background and Context:

- Students should provide a brief overview of the case, including the key actors, the industry involved, and the regulatory or policy context. This sets the stage for understanding the case's significance.

Identifying Key Issues and Stakeholders:

- Students should identify and explain the main issues or challenges faced by both the business and the government in the case. This could include regulatory compliance, policy changes, legal disputes, or other relevant matters.
- Students should also list and describe the various stakeholders involved, including the business, government agencies, employees, consumers, shareholders, and advocacy groups.

Analyzing the Business's Response:

- Students should examine how the business in question responded to the government's actions or regulations. Did they comply, resist, lobby for change, or engage in other strategies?

Government's Role and Decision-Making:

- Analyze the government's actions, decisions, and rationale behind its involvement in the case. Explore the political, economic, and social factors that influenced government decisions.

Ethical and Social Responsibility Considerations:

- Discuss the ethical implications of the actions taken by both the business and the government in the case. Did they consider the well-being of society and stakeholders?

Impact on Business and Government:

- Evaluate the consequences of the case on the business, including financial, reputational, and operational impacts.

- Assess the impact on the government's goals, policies, and public perception.

Alternative Approaches and Solutions:

- Students could propose alternative strategies or solutions that the business or government could have pursued to address the issues more effectively or ethically.

Lessons Learned:

- Students should reflect on the lessons that can be drawn from the case. What can other businesses, governments, or stakeholders learn from this situation?

Policy Recommendations:

- If applicable, students can provide policy recommendations or changes that could prevent similar issues in the future or improve the relationship between businesses and government.

Each student develops a *research proposal* on the (sub-)topics addressed in the course. The research proposal should demonstrate the puzzle (either empirical or theoretical), the research question related to business-state and an explanation addressing this specific puzzle and question. Against the background of contemporary research students are asked to formulate 2 explanatory hypotheses and with reference to methodological rules select the cases, either within a country/region or across the world or across the time, to test these hypotheses. The aim is to get first-hand experience with the research design on businesses and business-state relations. You can find the guidelines for the research proposal in the "how to research design" file on Moodle. The instructions on research proposal will be given in the first and last week of the semester. A research proposal should not exceed 1000 words.

The deadlines for the assignments will be announced at the beginning of the course.

Please note that for all assessments, late submission, and violation of the word or time limit will result in a lower grade. Plagiarism is not acceptable and will be punished according to the departmental rules.

Pre-conditions

No prior knowledge is assumed. Some basic skills of qualitative research design and methodology is desired. On methodological issues I recommend to study the following readings to prepare for the course:

Van Evera, Stephen. Guide to Methods for Students of Political Science. (Ithaca: Cornell University Press, 1997).

Diana Panke. Research Design and Method Selection: Making Good Choices in the Social Sciences. (Sage, 2018).

Goertz, G. and J. Mahoney (2012). A Tale of Two Cultures: Qualitative and Quantitative Research in the Social Sciences, Princeton University Press.

King, Gary, Robert O. Keohane, and Sidney Verba. Designing Social Inquiry: Scientific Inference in Qualitative Research. (Princeton: Princeton University Press, 1995).

Reading material

The reading material includes readings of two types:
- **mandatory readings*, which students should read prior to the class sessions. The full articles/chapters are available for download in electronic form through https://ceulearning.ceu.edu/.
- *further recommended readings* are included in the syllabus to deepen student knowledge and are optional for individual learning.

COURSE OUTLINE

PART I: CONCEPTS & THEORIES

Week 1: Introduction to Business and Politics

- Overview of the course and objectives
- Key concepts in business and politics
- Theoretical frameworks for understanding business and its relation with the state and society

Week 2: Mechanisms of Business Influence on Politics & Society

- Corporate lobbying and advocacy
- Regulatory capture and rent-seeking behavior
- Corporate social responsibility, provision of public goods and political activism

Week 3: State Intervention in Business Domain

- Government policies and regulations affecting business
- Public-private partnerships and industrial policy
- State-led economic development strategies
- The concept of developmental and predatory states

PART II: HISTORICAL & CONTEMPORARY CASES OF BUSINESS-STATE INTERACTIONS

Week 4: Business and Political Regimes

- Business-state relations in advanced democracies
- Business environments in emerging markets
- Hybrid and illiberal regimes and their impact on businesses
- Case studies of business political strategies from various countries & regions

Week 5: Case Study of Business-State Partnership in Vienna

[day & time of this session could vary from the regular schedule]

- Social housing policies
- Excursion to the "Red Vienna"

Week 6: Global governance and corporate behavior

- The influence of international organizations (e.g., WTO, IMF, World Bank) on business-state relations

- Environmental, social, and governance (ESG) considerations
- Business contributions to sustainable development goals (SDGs)

Week 7: Business Responses to Global Events

- Business strategies during the economic & financial crisis, COVID-19 pandemic
- Global supply chain disruptions and their implications for businesses & their interactions with the governments
- Influence of business on national crisis coping and foreign policies

Week 8: Business & War

- Business reactions to geopolitical conflicts (e.g., Russian war against Ukraine)
- Coping strategies of Russian, Ukrainian and Western businesses

PART III: PRESENCE & FUTURE OF BUSINESS & POLICIES

Week 9: Business, Governments, and Taxes

- Lobbying and political contributions by businesses in shaping tax policies
- Government incentives & penalties, and economic development
- Current trends and debates in taxation on a global scale, such as the digital services tax or minimum corporate tax rate

Week 10: Business, Governments, and Welfare

- Role of businesses and governments in promoting societal welfare
- Ethical responsibilities of businesses towards societal welfare
- Business and local communities' welfare
- Globalization, international business and welfare in developing countries

Week 11: Trends and Future Challenges in Business-State Relations

- Predicting and discussing trends in business-state relations, e.g., shared economy, AI
- Addressing emerging challenges, such as climate change, technology disruptions and geopolitical risks

Week 12: Course Wrap-Up, Review and Discussion of Research Ideas

- Course review and discussion of key takeaways
- Evaluation of the course and instructor feedback
- Final thoughts and reflections