Course Overview

One of the most important relationships in society is that between business and government. These relations affect firm competitiveness, new industry creation, innovation, international trade, foreign investment, employment, technological capabilities, economic growth and social development, environmental regulation, and others. With globalization, new forms of governance have blurred traditional regulatory boundaries. In addition to the national state, there are transnational civil, private and public actors engaged in regulating the economy and dealing with social and environmental problems that have increased the scope and breadth of regulatory and governance activities.

In the first sessions of the course, we will focus on the variety of perspectives, historical and current, on business-government dynamics. In addition, we will consider different modes of governance in the face of an increasingly complex global environment. Subsequently, the course will examine how globalization is changing the relationship between business and government, exploring the governance challenges of multinational corporations and global value chains, the context of developing and transitional economies, the changing production organization and cross-border networks and innovation processes. In addition, the course looks at the emergence of private governance in the face of social movements that are changing business regulation and global governance. Finally, the course will examine new regulation of international business related to labor and environmental standards.
Course Objectives

1. To understand theoretical and empirical research on the dynamics of international business and governance.
2. To develop and practice skills in synthesizing and evaluating research.
3. To develop skills for writing research papers, including the art and science of asking questions.

Course Requirements and Grading

This course will be taught as a seminar; therefore, students are expected to come to class having done the assigned readings and prepared to critically discuss in an engaging manner. In addition, students will complete the following assignments:

1) Brief response memos (11 total, 1-2 single-spaced pages) on the week’s readings and class participation. These memos are intended to prepare everyone for good class discussions by setting out initial reactions to the readings in written form. Memos should not summarize the readings, but should comment on specific arguments, compare the positions of different authors, raise questions of evidence or method, draw attention to particular strengths and weaknesses in the texts, and/or explore their implications. Each memo should also identify at least one non-factual question that you would like the class to discuss. These will be due by 8 am on the day the class meets (by e-mail to me). The response memos (graded P/F) together with class participation will account for 35% of the final grade.

2) Integration, critique and commentary report: After the first meeting of the seminar, you will be asked to lead several seminar sessions. In all, students will lead 11 sessions. Seminar discussion leadership will include preparing an oral presentation, a set of discussion questions to lead the seminar discussion, and submitting a written report on the chosen class meetings. The report will integrate and critique (but not summarize) the readings from the assigned academic texts for both the session and, when relevant, prior readings in the seminar. As well, the student will bring in other key articles related to the topic covered. In addition, the student will offer a personal commentary on the general theme presented by the assigned readings. Each written report is to be five pages or less, double-spaced. The report must be submitted at the beginning of the class session to which it refers. Sessions will be chosen in the first class meeting (25% of grade).

3) Research paper (20-25 double-spaced pages) examining a specific real-world experiment in regulating international business. Your paper should carefully describe the origins, goals, organizational and institutional dimensions of the experiment in question, paying attention to the actors involved and the type of regulatory methods. The paper should provide a theoretical discussion that elaborates which theory you find helpful for understanding your case or which theory your case contradicts. The goal is to produce a paper appropriate for submission to a conference or journal. All topics must have my agreement, in advance, based on a short written proposal. In the last class each student will make a ten minute presentation of his or her paper. Papers are due the last class session (40% of grade).
Grading

Memos and class participation  35%
Presentations (Commentary)  25%
Research Paper  40%

A course reader will be available electronically via WebCT that will include all journal articles. Books will be on reserve at the Howard Ross Library.

Academic Integrity

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism, and other academic offences under the Code of Student and Disciplinary Procedures. Please see [www.mcgill.ca/integrity](http://www.mcgill.ca/integrity) for more information.

In accord with McGill University’s Charter of Students’ Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

In the event of extraordinary circumstances beyond the University’s control, the content and/or evaluation scheme in this course is subject to change.
Outline: Topics and Readings

1. Introduction and Overview (Sept. 2)

2. Contrasting Views on International Business and Government (Sept. 9)

Dunning, J.

Gereffi, G.

Vogel, D.

Djelic, M.L. and K. Sahlin-Andersson

3. A Comparative Perspective of Business and Government (Sept. 16)

Jackson, G. and R. Deeg

Block, F. and P. Evans

O'Riain, S.

Schneider, B. R.
4. Modes of Governance: Markets, Hierarchies, Associations, Networks (Sept. 23)

Powell, W.

Smith-Doerr, Laurel and W. Powell

Piore, M. and C. Sabel

Doner, R. and Schneider, B.

5. Institutions and Institutional Dynamics (Sept. 30)

Powell, W. and P. Di Maggio

Czarniawska, B.

Barley, S.

Sabel, C.
6. Multinational Corporations and Global Value Chains (Oct. 7)

Thompson, G.

Gereffi, G., J. Humphrey, and T. Sturgeon

Ramamurti, R.

Levy, D.

7. Business and Government in Developing Countries (Oct. 14)

Maxfield, S., and B R Schneider (eds.)
1997 Business and the State in Developing Countries (Ithaca, NY: Cornell University Press), chapters. 1 and 3 (Schneider and Maxfield, “Business, the State, and Economic Performance in Developing Countries”, and Peter Evans, “State Structures, Government-Business Relations, and Economic Transformation”), pp. 3-33, 63-87. (Reserve folder)

Perez-Aleman, P.
2004 “Cluster Formation, Institutions, and Learning: The Emergence of Clusters and Development in Chile,” Industrial and Corporate Change 14(4): 651-77. (WebCT)

McDermott, G. et al.

Amsden, A.
2001 “Industrializing Late,” The Rise of the Rest; Challenges to the West from Late-Industrializing Economies, Ch. 1, pp. 1-28 (WebCT)

Stiglitz, J. E.

Stark, D.

Luo, Y.

Steinfeld, E.
2004 “China's Shallow Integration: Networked Production and the New Challenges for Late Industrialization,” World Development, 32. (WebCT)

9. Innovation, Organizations and Government Policy (Oct. 28)

Sharif, N.

Nelson, R.

Breznitz, D.

Kuhlmann, S. and Shapira, P.
10. Cross-Border Knowledge Circulation, Networks, and Institutions (Nov. 4)

Saxenian, A.

Saxenian, A.

Perez-Aleman, P.

Westney, E.

11. Civil Regulation and Private Governance (Nov. 11)

Vogel, D.

Barron, D. P.

Conroy, M. E.

Bartley, T.
12. Regulating International Business: Labor and Environmental Standards (Nov. 18)

O’Rourke, D.

Locke, R., F. Qin, and A. Brause,

Ostrom, Elinor

McNichol, J.

13. Individual meetings to discuss advanced drafts of research papers (Nov 25)

14. Conclusions and student research presentations (Dec 2)

Due: Final Paper