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IMPORTANT NOTE:
THERE IS A CASE ASSIGNED IN PREPARATION FOR THE FIRST CLASS SESSION.
PLEASE READ AND BE PREPARED TO DISCUSS THE CASE. DISCUSSION QUESTIONS ARE
INCLUDED BELOW TO GUIDE YOUR PREPARATION.

POLECON 239 – STRATEGY BEYOND MARKETS FOR EXPERIENCED MANAGERS.

Business performance is determined not only by a firm’s strategy with respect to consumers and competitors, but also by its strategic interactions with nonmarket players like politicians, regulators and activists. Acquiring techniques for managing the risks and opportunities that come with interactions with these actors can provide a crucial source of competitive advantage, and one where the gains are particularly accentuated in emerging markets and for firms with international operations. The purpose of the course is to hone your understanding of what goes on beyond the market and develop a set of tools to analyze it, drawing on cases both in the US and around the world.

COURSE MATERIALS

Readings are available on the Canvas site (in the “Modules” for each class session).

Optional (but recommended): The textbook *Business and its Environment (BIE)*, (7th edition, Prentice-Hall) by David P. Baron was written specifically for the Strategy Beyond Markets class at Stanford and has been adopted by several other leading business schools.

COURSE REQUIREMENTS AND GRADING

The course requirements are mastery of the content of the readings, constructive contributions to class discussions, a group project, and the final examination. Grades will be assigned as a

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weighted average of three components as follows:

1. Class participation 33% (including active high quality in-class participation, volunteering to present and participation in surveys and short assignments).
2. The group assignment and project 33%
3. Final examination 33%. The exam will be accessible through Canvas. You will have three hours to complete the exam once accessed. The window of availability begins at **12pm on Friday, December 7, and closes 11:59pm Wednesday December 12.**

CLASS SESSIONS

The course will be conducted using a combination of lecture and case discussion. Sessions will begin on time and will last for **80** minutes. I use randomized cold calls and also reserve the right to cold call anyone who arrives late for class, who will also enjoy reserved seats in the front row of the class room. You are expected to attend and be well prepared for every class session. If you must miss a class, please send me a note beforehand. Late arrivals and unexcused absences will be reflected negatively in your class participation grade. You may not make up for absences by attending a different section of the class.

Use of laptops, iPads, cellphones etc. during the class to surf the web or engage in other non-class related activities can be highly distracting and severely impacts your ability to contribute to the learning of your classmates. Students have advocated banning such devices during class time, a policy we will also adopt. To facilitate the taking of notes, I will provide hard copies of slides at the beginning of every class.

DETAILS ON THE GROUP PROJECTS

You will be assigned to groups. You will work in these groups on the group project as well as other class exercises and activities. The study groups will be formally involved in an integrated strategy assignment (due October 19), a final project (in Session 16) and a presentation or rebuttal (Session 18).

Integrated Strategy for Southwest Airlines (30%)

Using the tools and frameworks developed in the first class, combined with standard cost-benefit analysis, develop an integrated strategy for Southwest Airlines.

Submission guidelines: The deliverable should be a memo to the CEO of Southwest outlining your integrated market + nonmarket strategy. This should take the form of a text (i.e. Word) document, of 5 to 7 pages in length. Base your analysis on the Excel dataset and the exhibits in the case. If your analysis rests on data that you do not have, please be clear about the assumptions you are making and how sensitive your conclusions are to those assumptions (for example, provide the range of values for which your conclusions would be the same, or threshold above which your strategy recommendation would change).

Please make sure you include answers to the three questions below in your analysis:

1. Should Southwest Airlines seek to overturn the Wright Amendment?
2. What is the effect of Wright Amendment restrictions on Southwest Airlines' prices?
3. If Gary Kelly decided to try to overturn the Wright Amendment, which Senator on the Commerce, Science and Transportation Committee should he choose as the main sponsor?

Two additional clarifications about the Excel file: i) the code for the Southwest data is labeled “WN” and ii) the data is a 10% sample of Q1 2004 tickets sold from the two reporting carriers.

Final Group Project (70%)

The group project is a required assignment that promotes several objectives. It allows you to acquire a deeper understanding of a specific firm and industry of your choice. It lets you see up-close the impact of the business environment on organizational performance. It gives you an opportunity to practice various forms of analysis developed in the course in a setting of particular interest to you. The project also encourages you not only to reason within, but also to extend beyond the frameworks used in the course.

The project should focus on the social, political, or legal environment of a company, nonprofit organization, or (somewhat less desirably) industry. You may select a company for which a member of your study group has worked. It is strongly encouraged that you make contacts in the organization. Broad topics of interest can usually be recast at the company or organizational level. For instance, “trade barriers” is much too broad a topic, but a study of how a specific Japanese semiconductor company should address Mexican trade barriers is a good topic.

The project will unfold as follows:

1. **The one page prospectus due at the end of class time on October 26.** The prospectus should provide a concise overview of the topic, list the main frameworks you plan to use in your analysis, and present strategic alternatives. This is your main opportunity for feedback from me, so be as specific as possible about what you intend to study.
2. **The final report is due on November 28 at 3pm.** The report should apply frameworks to understand the environment in which the issue or problem is located, specify a strategic alternative, describe its implementation, and explain why it is likely to be more effective than other possible strategies. Frame your report as a memo that recommends a course of action to the CEO of the firm/NGO involved. The main text of your paper (excluding title page and exhibits) should be at most 10 pages. I will randomly choose three groups to present in Session 17 and assign everyone else to prepare a one page rebuttal for another team’s project.
3. **In Session 18, the three selected groups will present their case to the class** (10 minutes, with slide deck). After each presentation, the assigned rebuttals will provide a critique of the presented case (no slides, a handful of bullet points is sufficient). Rebuttals should either (i) adopt the perspective of an opposing group on the issue targeted by the presenters and outline how they would respond to the presenting group’s strategy or (ii) advocate for why an alternative strategy not adopted by the presenting group could be more effective.

We will adopt the 'touchy-feel' standard that the default is that every individual in the group has contributed to the best of their abilities. However, along with the project, you will be asked to fill in a survey, in which you can highlight certain group members as worthy of special recognition, or those who have room in which to build.

THE HONOR CODE

Stanford has a tradition of respect for students' integrity in academic work. The Honor Code outlines mutual obligations for students and faculty in making this system work.

In this class, students are encouraged to work in groups to prepare for class sessions. Constructive collaboration, in the sense of sharing your ideas and synthesis with others after doing the basic work, is an important component of the learning experience, and you are strongly encouraged to collaborate. However, it is a violation of the Honor Code to secure and use another person's notes, papers, or handouts from an earlier section or year to prepare for class.

Although not explicitly covered by the Honor Code, the advent of modern information services makes it easy to find information on cases, e.g., from accounts in the news media. In this class, students are encouraged to use such public sources when preparing for class.

You should also keep in mind the fact that the Honor Code prohibits plagiarism. This class is part of a master's degree program at Stanford, so you must follow the norms of academic writing, which differ from those in the business world. According to the Stanford Board on Judicial Affairs, "For purposes of the Stanford University Honor Code, plagiarism is defined as the use, without giving reasonable and appropriate credit to or acknowledging the author or source, of another person's original work, whether such work is made up of code, formulas, ideas, language, research, strategies, writing or other form(s)." *In practice, this means that when you submit a written assignment for this class you should use quotation marks to indicate text written by others and you should use footnotes and references to cite others' ideas or data.* The goal of these rules is not to create onerous or legalistic requirements. Rather, the requirement is simply that you must make clear the source of material you hand in. If you do this, everything will be fine.

For additional information on the honor code, you are strongly encouraged to peruse the Judicial Affairs website at <http://honorcode.stanford.edu>. Also, if you are uncertain about what the Honor Code entails for this class, feel free to consult me.

STRATEGY BEYOND MARKETS ON ONE PAGE

WEEK 1 Sep 24, 28	PART I THE COMPONENTS OF NON- MARKET STRATEGY	<i>Session 1:</i> Introduction – The 4 Is <i>Session 2:</i> Regulatory Challenges in Creating a New Business Model	ASSIGNMENT DUE DATES SEPT 28, BEFORE CLASS Pre-Class Surveys
WEEK 2 Oct 1, 5		<i>Session 3:</i> Incentives in Private and Public Politics <i>Session 4:</i> Democratic Institutions in Comparative Perspective	
WEEK 3 Oct 8, 12		<i>Session 5:</i> Legislative Showdowns <i>Session 6:</i> Activists, Protests and the Media	OCT 8, BEFORE CLASS Scrubbers assignment
WEEK 4 Oct 15, 19		<i>Session 7:</i> Local Political Risk <i>Session 8:</i> Innovating in an Existing Market	OCT 19, 3 PM Southwest Airlines Group Project
WEEK 5 Oct 22, 26		<i>Session 9:</i> Integrated Strategy <i>(No class on Oct 26)</i>	OCT 26, END OF CLASS-TIME Group Project Prospectus
WEEK 6 Oct 29, Nov 2	PART II THE REGULATORY ENVIRONMENT	<i>Session 10:</i> Antitrust <i>Session 11:</i> Intellectual Property	
WEEK 7 Nov 5, 9	PART III NON-MARKET STRATEGY IN INTERNATIONAL OPERATIONS	<i>Session 12:</i> Trade Regulation, Protectionism and Populism <i>Session 13:</i> Political Transitions, Authoritarianism and Violence	
WEEK 8 Nov 12, 15		<i>Session 14:</i> International Political Risk <i>Session 15:</i> Corruption	
WEEK 9 Nov 26, 30		Professor Condoleezza Rice <i>Session 16:</i> Global Institutions and the Business Environment <i>Session 17:</i> Regulations in Emerging Economies	NOV 28, 3 PM Final Group Project
WEEK 10 Dec 3, 7		<i>Session 18:</i> Group Presentations <i>Session 19:</i> Conclusion	DEC 3, IN CLASS Group Presentations and Rebuttals

FINAL EXAM DECEMBER 7-DECEMBER 12, 3 hours, self-scheduled.

COURSE OUTLINE

PART 1: THE COMPONENTS OF NON-MARKET STRATEGY

SESSION 1 – Monday, SEPT 24TH: INTRODUCTION: THE 4I's.

This session introduces the concept of a beyond market strategy and its integration with a market strategy. It also introduces the 4I's, a tool for classifying key features of a firm's nonmarket environment. We apply these concepts to assess strategic options for De Beers as it decided how to deal with concerns over conflict diamonds in the early 2000s.

Read:

1. De Beers at the Millennium, by Pankaj Ghemawat and Sonia Marciano, HBS Case 9-706-518
2. Optional: *Business and its Environment* 1-16

Preparation Questions:

How, if it all, should De Beers adjust its century-old strategy of monopolizing the supply of diamonds on the market to the issue of activism on the issue of conflict diamonds? In your answer include the following:

1. What are the interest groups that are likely to get active on this issue?
2. Which institutions will be the venues for decision-making?
3. What information does De Beers want to be able to provide these institutions? How does this affect its strategy?

SESSION 2 – Friday, September 28th: REGULATORY CHALLENGES IN CREATING A NEW BUSINESS MODEL.

A frequent attitude in Silicon Valley – and the entrepreneurial community generally – is that the quality of the idea will take care of itself and that the government is irrelevant (not to mention stuffy and bureaucratic). Time and time again this attitude has been proven wrong. Yet the attitude persists. Indeed, the rules of the game for a market are often set before the market even exists. Understanding the rules that are in place and designing a business plan that takes them into account is an important part of business innovation. We'll explore these lessons through the salutary experience of Prosper Marketplace, an innovator in the peer-to-peer lending business.

Read: Peer to Peer Lending by Steve Callander

Recommended Background: *The Master Switch: The Rise and Fall of Information Empires*. Tim Wu. Chapters 9 & 10, p. 125-135 & 136-156.

Before Class: Please make sure you have filled in the two pre-class surveys. Links should have been sent to you via email.

SESSION 3 – Monday October 1st: INCENTIVES IN PRIVATE AND PUBLIC POLITICS

To understand and influence policy making, one must first understand politicians. Due to the complexity of electoral rules and government institutions, politicians' incentives vary widely across countries, across issues, and over time. Yet, it is possible to develop systematic tools to examine politicians' incentives that are applicable across a range of settings, and allows us to assess the sensitivity of our predictions to both the qualitative judgement calls and often questionable quantitative data. We will apply this tool to understand how a small activist NGO transformed Delhi's fuel standards for public transportation, despite widespread political opposition. This class will also be our segue into analyzing formal government institutions.

Read:

1. Stanford GSB Case P-79A: Overcoming Political Opposition: CNG Mandates in Delhi, by Saumitra Jha
2. Interest Group Analysis for Managers, by Keith Krehbiel

Preparation Question: Please be prepared to answer the questions at the end of the CNG Case.

After class, complete a distributive politics matrix for the *Scrubbers case* in Canvas (due in a week). See *Interest Group Analysis for Managers* for help.

SESSION 4 – Friday, October 5th: DEMOCRATIC INSTITUTIONS IN COMPARATIVE PERSPECTIVE.

In this class, we will transition to talking about political institutions. We will use the example of Tesla to discuss how key differences between first past the post and proportional representation democratic systems can shape a firm's strategy. We will introduce and discuss American political institutions in international comparative perspective. Finally, we will discuss recent domestic and international trends, including polarization in Congress, and patterns going forward.

Explore: <https://www.tesla.com>.

Preparation Question: How does Tesla's sales strategy in the US differ from most other auto manufacturers? Why?

SESSION 5 – Monday, OCT 8: LEGISLATIVE SHOWDOWNS

Elected officials are not all created equal: some have more power than others, either because they hold leadership positions, or because of the fact that, due to their policy preferences, they are crucial, *pivotal*, members whose support is required for passage of a bill. Identifying who is politically powerful is a crucial task for any firm or NGO that is planning to lobby government officials. We focus on the case of health care politics in the US to illustrate tools from political economy that can be used to identify pivotal decision makers. We then discuss how these tools may apply in non-US settings.

Read:

1. Stanford GSB Case P-74: Health Care in the United States 2009-2010, by Alex Hirsch & Ken Shotts
2. Pivotal Politics: A Foundation for Nonmarket Strategy, by Keith Krehbiel
3. Article on the 2017 repeal effort.

Preparation Questions

1. Why did the Obama administration want to move fast in 2009?
2. As a legislative opponent of the bill, what is your preferred strategy?
3. Looking back, what should the administration have done differently, if anything?

Your Distributive Politics Spreadsheet for the Scrubbers case is due before class on Canvas.

After class, you now have all the tools you need to complete the Southwest Airlines group project. Read the *Lobbying for Love case*, the Excel file on Canvas and description above.

SESSION 6- Friday, OCT 13 ACTIVISTS, PROTESTS AND THE MEDIA

Activists sometimes try to promote their objectives by influencing governmental policies. But they also work outside of government arenas, by convincing individual consumers or employees to take actions that are *political* (i.e., aimed at influencing a company's actions) yet *private* (i.e., not relying on public laws or governmental authority). Such activism, ranging from protests to boycotts, is prevalent on issues such as labor standards, the environment, and social justice. This session focuses on a case in which activists attacked Citigroup for project finance lending in developing countries. We consider the strategic interaction between Rainforest Action Network and Citigroup in a struggle that lasted for several years.

We will also simulate the interactions of strategies from three different perspectives: that of RAN, that of a major news media organization, and that of Citigroup. Study groups advocating RAN's viewpoint will play first. Groups assigned to formulate media coverage will move next. Finally, it will be Citigroup's turn to address RAN's challenge. A general debate will follow.

Case: Stanford GSB Case: Anatomy of a Corporate Campaign: RAN and Citigroup (A and B)

Recommended Reading: *Business and Its Environment* pp.52-57 (Media), Chapter 4 (Activist Strategies) (pp. 84-91)

SESSION 7- Monday, OCT 15: LOCAL POLITICAL RISK

In many environments, the challenges and opportunities that stem from firms' exposure to local political risks and transitions can be particularly important. Choosing a new site to open a business or a plant often involves investments that are hard to reverse, raising the possibility that local political actors may later try to "hold up" production or renege on agreements. A second question is how to weather political transitions. In this session, we examine the lessons to be learned from Tata Motors' decisions to locate the plant for its "people's car", the Nano.

Readings Stanford GSB Case P-78A: Managing Local Political Risk: Parking the Tata Nano (A), by Saumitra Jha and Debra Schifrin

Preparation Questions

1. Why might Tata be aiming for (and want to advertise) a national geographical presence in manufacturing?
2. Using the information in the case and the exhibits, prepare a brief for Tata's board on
3. Where to locate the Nano plant. What factors weigh more or less heavily in your decision? Be prepared to defend your choice.

SESSION 8: Friday, OCT 19: INNOVATING IN AN EXISTING MARKET

Using technological solutions to improve services and products for which an existing market exists has been an extremely popular path taken by generations of Sloan Fellows. In this session, we deploy the tools from the class to examine and develop a strategy for Uber, first in its operations in Washington, DC, and then exploring Uber's challenges in global perspective.

Read and Answer:

1. **The 2013 Final Examination question on Uber** (available on Canvas). Note that like all my finals, this question was "ripped from the headlines", so please answer it based upon the situation in 2013.
2. Does Uber (and/or a local rival) operate in your home city? If yes: what have been the strategic challenges Uber and its rivals have faced? How would you overcome them? If no: consider the potential challenges Uber might face in entering your home city, and how they might be overcome.

After Class: Your Southwest Assignment is due at 3pm (30% of your group grade), on Canvas

SESSION 9- Monday, OCT 22 INTEGRATED STRATEGY

In this session, we bring together the lessons from the first part of the course. We devote our time to analyzing the economics of the airline industry and how it is shaped by a particular piece of legislation. The assignment calls for the development of an integrated strategy, requiring the development of standard financial analysis subject to a political constraint.

Case: Lobbying For Love? Southwest Airlines and the Wright Amendment by Felix Oberholzer-Gee, Dennis Yao, Libby Cantrill and Patricia Wu, HBS Case 9-707-470 (Excel file – Canvas).

PLEASE NOTE: NO FORMAL CLASS ON Friday, October 26, but please use class time to work on your Group Project Prospectus. Your prospectus (see above), is due October 26, as soon as your class ends, on Canvas.

PART II: STRATEGY IN THE REGULATORY ENVIRONMENT

SESSION 10:- Monday OCT 29: ANTI-TRUST

Although laws and constitutions provide the foundation for antitrust policy, courts and regulatory agencies play a major role in deciding how laws will be implemented. The session will include a discussion of the implications of the economics of winner-take-most markets and the antitrust hazards in those markets. We will also have an in-class debate over antitrust, focusing on the landmark example of Microsoft in the US and EU, before discussing current trends.

Reading

1. Stanford GSB Case P-50: The Microsoft Antitrust Case, by Baron and Lichtenstein.
2. *Business and Its Environment*, (Anti-Trust) pgs 230-238
3. [Google Android: European 'techlash' or milestone in antitrust enforcement](#), *Vox*, July 2018

Debate Preparation: Your group will be pre-assigned the role of either: a) the Department of Justice and Microsoft's competitors and b) Microsoft, with one group volunteering (or randomly assigned) to lead in each case. The DoJ/ Competitors will move first, presenting the most compelling case against Microsoft (10 minutes). Then Microsoft will respond (10 minutes). We will then have a broader debate.

SESSION 11 – Friday NOV 2 INTELLECTUAL PROPERTY

In information and creative industries, intellectual property is the principal asset of many

companies. For these companies, protecting their information assets is crucial to creating and sustaining a competitive advantage and capturing value. The protection of digital intellectual property is a particular challenge in developing countries but may have mixed effects on innovation. In this class we will examine the strategy of Qualcomm, a firm that evolved from a small engineering startup to a large firm holding and defending much intellectual property in global telecoms.

Case: Stanford GSB Case SM-111: Qualcomm 2003 by Cara McVie and Bill Barnett
(Optional) Background: Stanford GSB Case SM-177: Cellular Telecommunications: An Industry Driven by Intellectual Property and Technical Standards" by Robert Burgelman, Margaret LaBreque, David Hoyt and Amanda Silverman

Preparation Questions:

1. What the reasons why Qualcomm develops a strong position in CDMA IP? How is this disruptive to the industry?
2. What are the major threats to Qualcomm's IP? What strategies does Qualcomm use to defend itself? Which are more effective? What would you have done differently?
3. Which institutional venues are better for Qualcomm vs competitors and downstream hardware manufacturers such as Nokia and Ericsson? What does this imply for Qualcomm's strategy?
4. How does Qualcomm's legal and broader beyond market strategy alter its internal organization (eg Spinnco), its stance on M&A and its market strategy?

PART III: NONMARKET STRATEGY IN INTERNATIONAL OPERATIONS

SESSION 12 – Monday NOV 5: TRADE REGULATION, PROTECTIONISM AND POPULISM.

It's not too far off to say that "all prices are political". This is due to the salience of politics in one particular mechanism: regulations on international trade and immigration. In this session, we will discuss firms' strategies in light of recent trends, covering topics include the effect of China's rise on US labor markets, Brexit, the rise of anti-globalization and populist parties, and trade protectionism.

Read and Answer (subject to change):

The 2017-18 Final Examination Question on US Steel and Foxconn

Autor, Dorn and Hanson, "The China Shock", pg205-215 (Intro + China's Rise), pg. 223- 227) (Regional Impacts), pg.234-236 (Conclusion)

SESSION 13 – Friday NOV 9: POLITICAL TRANSITIONS, AUTHORITARIANISM AND VIOLENCE

We will begin this session by thinking seriously about the fundamental way that bargaining and

bargaining failures affect the legal environment for innovative firms in rich countries and beyond market strategies in developing societies. We will complete our discussion of the legal environment with a bargaining exercise illustrating the role of property rights in determining outcomes.

In this post-election session, we will then turn to the question of more radical political changes, deriving from bargaining failures and the failure to make to **credible commitments**. We will first discuss how and why political transitions can be hard to predict, including the role of preference falsification and media echo chambers. We then examine why bargaining failures affect the regulatory environment of innovative firms, such as Prosper in the US, as well as being a major cause for violent conflict and the failure of socially-beneficial initiatives in developing countries. We finally discuss strategies for overcoming such bargaining failures.

Case Stanford GSB Case: MTN Group Limited

Reading

1. *Business and Its Environment* pp. 324-327 (Coase Theorem)
2. James Fearon “Ethnic War as a Commitment Problem”, pg 1-4 (introduction only)
3. Saumitra Jha “Trading for Peace” *Economic Policy* (introduction only)

Preparation Questions:

1. Why is CSR important to MTN? Why might MTN want to employ locals and provide local shareholding in the countries in which it operates?
2. Take MTN’s operations in Syria. What factors should it trade-off in deciding how much local equity to issue, and to whom?

SESSION 14 – Monday NOV 12: INTERNATIONAL POLITICAL RISK

The rule of law is an important factor promoting economic development, because prospective investors, both foreign and domestic, want to reduce the risk that their property will be expropriated. In the case discussion, we will continue our discussion of international political risks by focusing on the Spanish energy company Repsol’s handling of expropriation of its investments in Argentina. We will also discuss strategies for mitigating political risk.

Case: Stanford GSB Case P-90, Repsol and YPF (A and B), by Sheila Melvin, Kate Casey and Ken Shotts.

Preparation Questions:

1. Was it a good idea for Repsol to enter Argentina in 1999?

2. Was it a good idea (economically) for President Cristina Kirchner to seize Repsol's stake in YPF? Was this a good move politically?
3. What steps could Repsol have taken to reduce the likelihood of expropriation?
4. After the expropriation, what steps should Repsol take to recover lost value?

SESSION 15 – Friday, NOVEMBER 16: CORRUPTION

Dealing with corruption in the regulatory environment is a serious challenge faced by many managers, particularly in emerging markets, but also in many developed countries too. In this class we will discuss what is legal and illegal in light of the US Foreign Corrupt Practices Act, as well as discussing strategies for doing business in environments where corruption is common.

Read:

1. Resource Guide to the US Foreign Corrupt Practices Act, Chapters 1-2, pg 1-37.
2. Optional: Vito Tanzi (1997) "Corruption: Arm's Length Relationships and Markets" chapter 7 in *The Economics of Organized Crime*, Gianluca Fiorentini and Sam Peltzman eds., Cambridge University Press

Preparation Questions:

1. What is the difference between a *bribe* and a *facilitating payment* under the US FCPA?
2. Please come to class prepared to discuss examples of corrupt practices that you have encountered, if any, and strategies that were used or could have been used for addressing them.

SESSION 16 –Monday NOVEMBER 26: GLOBAL INSTITUTIONS AND THE BUSINESS ENVIRONMENT

We are delighted to welcome **Professor Condoleezza Rice** to be a guest lecturer for these two sessions on Global Institutions.

Readings:

1. Stanford GSB Case: The Dubai Ports Controversy
2. The Next Convergence: The Future of Economic Growth in a Multispeed World, pp. 247-259
3. The Party: "The Secret World of China's Communist Leaders," pp. 53-69, 226-228
4. Douglas A. Irwin, "[The Truth About Trade,](#)" ([Links to an external site.](#))[Links to an external site.](#) Foreign Affairs, July/August 2016.
5. Pankaj Mishra, "[The Globalization of Rage,](#)" ([Links to an external site.](#)). Foreign Affairs, November/December 2016.
6. Fareed Zakaria, "[Populism on the March: Why the West Is in Trouble,](#)" ([Links to an external site.](#)). Foreign Affairs, November/December 2016.
7. Chapter "2016" from Democracy

Due Wednesday November 28, 3pm: Submit your final group project. I will select 3 projects to present in Session 18. Groups selected to present should prepare a short slide deck. Everyone else will be assigned one of these projects to read and prepare a one page rebuttal.

**SESSION 17 –Friday NOVEMBER 30: REGULATIONS IN EMERGING ECONOMIES
Professor Condoleezza Rice**

This session would discuss the GMO controversy in Sub-Saharan Africa and supra-national institutions.

Readings to be posted on Canvas

SESSION 18 Monday December 3: GROUP PRESENTATIONS AND REBUTTALS

Three groups present their projects and other class members provide rebuttals.

Due: slide deck or one page rebuttal (as assigned in Session 16)

SESSION 19 – Friday, December 7: CONCLUSION

In this section we will jointly generate an integrated strategy for Glaxo, using lessons from the course. The case provides an opportunity to apply the course frameworks to a salient issue facing the pharmaceutical industry, in a global context. Glaxo faced an enormous challenge. How could it address the continuing concerns raised by activists, the media and world governments, while simultaneously serving the interests of Glaxo stakeholders? What is the correct, socially responsible, course of action? How should social responsibility be balanced against generating profits? How should Glaxo price its next AIDS drug currently in the pipeline? And how could Glaxo better manage beyond market considerations?

Case: Stanford GSB Case P-39: GlaxoSmithKline and AIDS Drugs Policy

Reading: Optional Background: “Note on AIDS and the Pharmaceutical Industry” (on Canvas)

EXAM: Available: December 7, noon- Wednesday December 12: 11:59pm:

Exam on all assigned material. Open book, open notes and open canvas. Use of outside sources of information, including the Internet, is discouraged. You will have three hours to complete the exam, once opened.