



Bachelor Level (Elective)  
**Globalization and Business Power:  
Interest-Group Influence in Policymaking**

**Seminar Teaching**

Loriana Crasnic  
Mail: [loriana.crasnic@upz.ch](mailto:loriana.crasnic@upz.ch)  
Telefon:

Nils Redeker  
Mail: [redeker@ipz.uzh.ch](mailto:redeker@ipz.uzh.ch)  
Telefon: +41 44 634 38 48

**Seminar Teaching**

Mondays, 10:15-12.00  
Room: AFL-E-015  
Meetings by appointment

**Course Description**

In this seminar, we analyze the power and clout of businesses in politics. We start by studying different concepts of business power, drawing on perspectives ranging from Sociology to International Relations and International and Comparative Political Economy. We then use these concepts to analyze the role of business in global and domestic politics. We cover issues like financial regulation, trade politics, taxation, labor markets as well welfare state politics and we will look at how businesses make use of classical instruments like campaign contributions or lobbying to impose their preferences but also their structural position in the economy and their discursive influence to tilt political decisions in their favor. A big focus of this seminar will therefore be ascertaining how we can study business power empirically. How can we tell the real preferences of private companies? How can we measure the extent of their political power and how can we determine whether they have successfully influenced policymaking or not?

**Learning Goals**

This seminar aims at providing students with a sound understanding of the ways in which private firms, interest groups and states interact in a globalized world. Students will study different theoretical perspectives on the issue, will learn how to compare their strengths and weaknesses and will get to know strategies to evaluate their empirical relevance in a wide range of global economic policies.

**OLAT**

The course is administered via the online learning tool OLAT. Course contents and information is also made available to students via this platform. Students are expected to submit their written work via OLAT and will be able to see grades on the course OLAT page.



## Assessment

Final grades are determined by looking at the student's performance in two main exercises.

### 1) Exercises in Critical Reading (30% of final grade)

- Students are to complete two tasks to fulfill the requirements for the critical reading exercises:
  - A) Paper Reactions (pass/ fail)
    - For **at least nine sessions**, students have to formulate brief (one liner) reactions to the papers they read for the **upcoming session**.
    - Reactions can include anything from substantial questions, to critiques or issues that they would like to discuss in class against the background of the readings.
    - Reactions have to be posted into the course forum on OLAT 72 hours (Saturday evening) before the class starts.
  - B) Critical Reviews
    - Students have to write critical reviews of the readings for **two sessions** (each 15% of the final grade). Students will be able to choose their preferred sessions for doing this on OLAT during the first week of the seminar. To make sure we have reviewers for each week, spots for each session are limited to 6 students.
    - In the reviews, students should show that they are able to precisely summarize and discuss the readings of the seminar. The reviews should be about **2 - 3 pages long** (double spaced), **completely written-out** and encompass **five elements**:
      - Title and bibliographic reference
      - The paper's (main) research question (formulate in one single sentence)
      - The paper's main argument: summarize the argument in your own words: What are the dependent and independent variables? How are they linked according to the author (causal mechanism)?
      - Briefly summarize the research design and empirical strategy (if it's purely theoretical, what evidence does the author bring to bear to make her case?)
      - A short discussion of the findings: Do the findings support the argument? Do you find the paper convincing? If no, what do you think are the main issues and how could one go about to check the validity of your critique?
    - Reviews have to be **sent to the course conveners via email 72 hours** (Saturday evening) before the class start.
    - Your grade for the review will also depend on how well you are able to **verbally summarize and discuss** your reviews during class.



2) Essay (70% of final grade)

- The written assessment consists of **one individually composed research essay**. The essay should pose a research question that you develop yourself. Please send us an Email with your question in advance. The essay consists of five parts:
  - a) Introduction:  
Posits the research motivation (why is your question interesting), a brief summary of the main theoretical argument and includes a short overview of the essay structure.
  - b) Literature review:  
This is the heart of your essay. It provides an overview on the existing theoretical approaches to your question and discusses their differences with regards to their main argument, theoretical perspectives and assumptions. Make sure that you a) structure your review not along papers or authors but with regards to broad arguments and theoretical perspectives and b) discuss how these different perspectives speak to each other. The review should logically lead to your critique and the argument you want to make.
  - a. Your Argument:  
Lays out your argument with regards to the question and presents some illustrative reasons (for example a very brief case study) in support of your reasoning.
  - c) Conclusion and Discussion  
Summarizes the essay, discusses open question, problems with your analysis and possible avenues for future research.
- Submission deadline for the essay is set to Monday, December 22<sup>th</sup> at 13.00 PM. Students should submit:
  - i) a digital version of their essay, uploaded to OLAT by 13.00 PM.
  - ii) a hard copy version of their essay, including a signed declaration of authorship (*Selbständigkeitserklärung*), to the IPZ secretariat. Hard copies need not be bound.
- The essay should consist of 3000 words (+/- 10%). Word count should include title page and table of contents. Images, Tables and Bibliography are excluded from the word count.
- The essay is evaluated on the basis a grading scheme, which will be presented in class and made available to all students via OLAT.



## I. A Primer on Power

Monday, September 18<sup>th</sup> 2017

### 1. Getting Started - Introduction and Seminar Logistics

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No readings assigned

Monday, September 25<sup>th</sup> 2017

### 2. What's Power and how to study it?

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- Dahl, R.A. (1957) - The Concept of Power. *System & Behavioral Science*, 2 (3), p. 201-215.
- Bachrach, P. & Baratz, M. S. (1962). Two Faces of Power. *American Political Science Review*, 56(4), 947-952.
- Lukes, S. (1974). Power: Radical View - Introduction. New York. p. 1-59 (especially 25 – 38).

## II. Instrumental Power - Mechanisms of Direct Business Influence

Monday, October 2<sup>nd</sup> 2017

### 3. Moneyed Politics - Campaign Contributions And Lobbying

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- Baumgartner, F. et al. (2009) - Does Money Buy Public Policy. *Lobbying and Policy Change*. Chapter 10. London. p. 190- 214.
- Kalla, J. & Broockman, D. (2016) - Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment. *American Journal of Political Science*, 60 (3), p. 545-558.



Monday, October 9<sup>th</sup> 2017

#### **4. Friendly Politics - Revolving Doors and Regulatory Capture**

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- Büthe, T. & Mattli, W. (2012) - The New Global Rulers: The Privatisation of Regulation in the World Economy. *Princeton University Press*, Chapter 1 & Chapter 6.
- Young, K. (2012) Transnational regulatory capture? An empirical examination of the transnational lobbying of the Basel Committee on Banking Supervision. *Review of International Political Economy*, 19 (4), 663-688.

Monday, October 16<sup>th</sup> 2017

#### **5. Power In Numbers - Business Coalitions in Politics**

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- Pagliari, S. & Young K. (2014) - Leveraged interests: Financial industry power and the role of private sector coalitions. *Review of International Political Economy*, 19 (4), 663-688
- Woll, C. (2014) - The Power of Inaction: Bank Bailouts in Comparison. *Cornell University Press*, Chapter 1 & Chapter 6.

Excursus: How to write the seminar essay?

Monday, October 23<sup>rd</sup> 2017

#### **6. Quiet Politics - Political Salience and Business Influence**

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- Bawn, K. et al. (2012) - A Theory of Political Parties: Groups, Policy Demands and Nominations in American Politics. *Perspectives on Politics*, 10 (3), 571 - 597.
- Culpepper, P. (2011) - Quiet Politics and Business Power. *Cambridge University Press*, Chapter 1.
- Haley Sweetland Edwards. "He Who Makes the Rules." *The Washington Monthly*, April 2013:.



### III. Structural Business Power

Monday, October 30<sup>th</sup> 2017

#### 7. Dependent Politics - Globalized Business and the State

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- Lindblom, C.E. (1982) - Politics and Markets. *Ethics*, 92 (4), p. 720-732.
- Strange, S. (1996) - The Retreat of the State. *Oxford University Press*, Chapter 1 & Chapter 4.

Monday, November 6<sup>th</sup> 2017

#### 8. Structural Business Power in Concrete Politics

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- Fairfield, T. (2015) - Structural power in comparative political economy: perspectives from policy formulation in Latin America. *Business and Politics*, 17 (3), p. 411 – 441.
- Culpepper, C. & Reinke, R. (2014) – Structural Power and Bank Bailouts in the United Kingdom and the United States. *Politics and Society*, 42 (4), p. 427 – 454.

Referendum: Vote on students suggestions for Topic 13 (Monday, December 11<sup>th</sup> 2017)

### III. Discursive Influence - Ideas and Power Over Politics

Monday, November 13<sup>th</sup> 2017

#### 9. Discourse and Ideas - Constructivism in Business Power

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- Chwieroth, J. (2007) - Neoliberal Economists and Capital Account Liberalization in Emerging Markets. *International Organizations*, 61, p. 443-463.
- Blyth, M. (2003) - The Political Power of Financial Ideas: Transparency, Risk and Distribution in Global Finance. in: Kishner, J. (2003) Monetary Orders: Ambiguous Economics, Ubiquitous Politics. *Cornell University Press*, Chapter 11.



Monday, November 20<sup>th</sup> 2017

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**10. Businesses as Agents of Ideas**

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- Sell, S. & Prakash, A. (2004) - Using Ideas Strategically: The Contest Between Business and NGO Networks in Intellectual Property Rights, *International Studies Quarterly*, 48, 143-175.
- Second Reading TBA

<p><b>V. Studying Preferences - What Does Business Want?</b></p>
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Monday, November 27<sup>th</sup> 2017

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**11. Firm Interests? Uncertainty in Business Preferences**

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- Woll, C. (2008) - Firm Interests? How Governments Shape Business Lobbying on Global Trade. *Cornell University Press*, p. TBA
- Newman, A. & Posner E. (2016) - Structuring transnational interests: the second-order effects of soft law in the politics of global finance. *Review of International Political Economy*, 23 (5), p. 768-798.

Monday, December 4<sup>th</sup> 2017

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**12. Unlikely Partners – Business in Class-Cutting Coalitions**

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- Swank, D. & Martin, C.J. (2001) – Employers And the Welfare State – The Political Economic Organization of Firms and Social Policy in Contemporary Capitalist Democracies. *Comparative Political Studies*, 34 (8), p. 889-923.
- Dean, A. (2015) - The Gilded Wage: Profit-Sharing Institutions and the Political Economy of Trade, *International Studies Quarterly*, 59, p. 316 -329.

Monday, December 11<sup>th</sup> 2017

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**13. Class on Topic of Student Choice**

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- Readings TBA after vote on November 6<sup>th</sup>



Monday, December 18<sup>th</sup> 2017

**14. Final Class**

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- Wrap-Up and Course Feedback