

Syllabus [Preliminary]**Business, Law, and Democracy**

LGST 299/799-401

Instructor: Eric Orts
Classroom: JMHH 365
Classes: Thursdays, 3 to 6 pm

Office hours: TBA
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Course description: What is the relationship between business and democracy? Do institutions of free enterprise depend on democratic government—and vice versa? Do more democratic decision-making structure enhance efficient outcomes? What principles inform shareholder democracy? What is the relationship of business, democracy, and the rule of law?

This course—cross-listed for both undergraduate and graduate students—explores various dimensions of the relationship between business and democracy. Particular attention is given to legal structures that govern the relationship, but ethical considerations are examined as well.

Class format, reaction papers, and student participation: Classes will be conducted in discussion-oriented style, and students will be expected to come to each class having done the reading in advance and prepared to discuss it. One-page reaction papers will be required twenty-four hours in advance of each class session in order to help structure discussion. Attendance and preparation for class will be expected and included as a component of the final grade for the course.

Grading: Final grades will be determined as follows. The primary requirement is the development of a final paper of between 12 and 15 pages (double-spaced, double-sided, and stapled with 12 point font for text). If a bibliography is used, then it may exceed the 15-page limit for text.

Class participation: 25%

Weekly reaction papers: 25%

Final paper: 50%

Discussion leadership: Students will take responsibility for a portion of at least one class session of their choice, which may be relevant to their final paper topic. The session may be used to give

an overview of the student's thesis for the paper, or the student may assist in posing questions for other material not related to the final paper.

Final paper: A final paper is the primary formal class requirement on which the final grade will be based. The topic and its general methodology should be discussed with the professor in advance. Students are also encouraged to present and discuss an outline for their final paper in advance.

Required texts: [The final reading list has not yet been assembled! But the following books are likely candidates. Do not buy books until final version of the syllabus!]

It will be recommended that students procure either hard copies from the Penn Book Center (which will have copies ordered) or elsewhere. Electronic copies of many of the books are also available, and copies will be placed on library reserve. In addition, some articles will be included in a required coursepack and made available on Canvas.

Robert Dahl, *On Democracy* (Yale University Press, 2d ed., 2015).

Steven Levitsky and Daniel Ziblatt, *How Democracies Die* (Crown 2018).

Hélène Landemore, *Democratic Reason: Politics, Creative Intelligence, and the Rule of the Many* (Princeton University Press 2013).

Carol Pateman, *Participation and Democratic Theory* (Cambridge University Press 1970).

Yascha Mounk, *The People v. Democracy: Why Our Freedom Is in Danger and How to Save It* (Harvard University Press 2018).

Eric W. Orts, *Business Persons: A Legal Theory of the Firm* (Oxford University Press, paper ed., 2015).

Eric A. Posner and E. Glen Weyl, *Radical Markets: Uprooting Capitalism and Democracy for a Just Society* (Princeton University Press 2018).

Adam Winkler, *We the Corporations: How American Business Won Their Civil Rights* (W.W. Norton 2018).

Sheldon Wolin, *Democracy, Inc.: Managed Democracy and the Spector of Inverted Totalitarianism* (Princeton University Press 2008).

Luigi Zingales, *A Capitalism for the People: Recapturing the Lost Genius of American Prosperity* (Basic Books, paperback ed. 2014).

Quality feedback/informal lunches/dinners: A series of optional lunches or dinners will be held to get feedback from students about the course as well as to encourage general informal interactions among students and professor. No credit for class participation (and no penalty) will be given for participation in informal lunches or dinners (or not).

Syllabus revisions. This version of the course is subject to possible revision in accordance with students' interests as well as time pressures of coverage or substitutions of course materials.

Course outline

Specific assignments will in general follow the outline provided below. Any changes will be announced in class. Revised versions of the syllabus will also reflect any changes.

[DETAILED ASSIGNMENTS TO COME]

Bio of Instructor

Eric Orts is the Guardsmark Professor at the Wharton School of the University of Pennsylvania where he has taught since 1991. He is a tenured professor in the Legal Studies and Business Ethics Department with a secondary appointment in the Management Department. He also serves at the faculty director of the Initiative for Global Environmental Leadership, and on the executive committee for the Andrea Mitchell Center for the Study of Democracy. His primary research and teaching interests are in business theory, constitutional democratic theory, corporate governance, securities regulation, environmental law and management, and professional ethics.

Prior to joining Wharton's faculty, Prof. Orts practiced law as a litigation associate at Paul, Weiss, Rifkind, Wharton & Garrison in New York City and was a Chemical Bank fellow in corporate social responsibility at Columbia Law School. He has also taught and visited at a number of other leading business and law schools, including INSEAD (European campus), the University of Pennsylvania Law School, NYU School of Law, Sydney Law School, Tsinghua University School of Economics and Management, the University of Michigan Law School, and UCLA School of Law. He has been a visiting Fulbright professor in the law department of the University of Leuven, the Eugene P. Beard Faculty Fellow at Harvard University's Center for Ethics and the Professions, and a faculty fellow in the Center for Business and Government at the Kennedy School at Harvard.

Prof. Orts is a graduate of Oberlin College (BA with honors in government and minor in philosophy), the New School for Social Research (MA in political science), the University of Michigan (JD), and Columbia University (JSD). He is a member of the bar of New York and the District of Columbia, as well as an elected member of the American Law Institute, and he belongs to several other professional and academic associations. He is a founding board member of the Alliance for Research on Corporate Sustainability and serves on the editorial board of *Business Ethics Quarterly*.