

MBA 716: Introduction to Corporations (3-0-0-5)

Semester II (I), 2022-2023; Mon, Wed: 3.35 – 4.50 pm

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Purpose

The corporate form has perhaps become the defining institution through which the present globalised business is conducted. The purpose of the course is to learn about the various institutional features of a business corporation. The course will attempt to situate the corporation in the market versus state debate, discuss the origins and efficacy of its early features and its various characteristics, and the course of its evolution to present day form as corporations spread globally. It will attempt to discuss aspects of corporations, their origins in law, polity and economy, their governance, policy implications and consequences for the various stakeholders.

Classes

The class discussions will primarily be based on real life cases and readings. This will require that the student analyses the assigned readings/ videos, preferably in small groups, and comes prepared with his/ her analysis for presentation in the class. Group/s should volunteer to initiate class discussion and make a presentation of their analysis for a particular class.

Learning in the class will largely happen through discussions and NOT through 'lecture' by the instructor. Thus, it becomes everybody's responsibility to get into a constructive dialogue and not just look at an individual as 'provider' of answers. A constructive dialogue means not only to speak, but also listen carefully and draw out some of the relatively quieter colleagues. This is not a course on oratory and hence what matters is QUALITY of your participation - in speaking, listening, explaining and critiquing. If you are not able to express your point in the class, you are welcome to share it over email (or a write-up) with the instructor and/ or the class.

If you are coming to a class it is expected that you have prepared assigned readings and are ready with your analysis; some times you may be expected to do readings after the class discussion. Hence in normal circumstances I expect you to be present in all the classes. If for special reasons you are not able to attend a particular class, I expect you to explain it in writing, as it is not only that you are not attending the class as an individual but you are also depriving the rest of the class from your views and analyses.

I expect you to do whole lot of activities and preparations in groups. So please make **groups of 3** right after the first class as per your choice.

Evaluation

Class Participation & Presentations (30%)

As already explained class participation is a fundamental part of learning in the course. The purpose of class presentations is to initiate the discussion on the reading/case. The presentation may be done by a group. Please come prepared with your presentation and only present your analysis in not more than 15 minutes. I would prefer if you inform me in advance in case you want to make a presentation in a particular session. *Opportunities for presentations are going to be limited; hence I recommend written submissions of your analysis on some aspect of the class discussion or the cases/ readings, either individually or in groups.*

Project Report (35%)

It will be a group project, see the note on projects.

Endsems (35%)

Readings

Reference Text

1. Bakan, Joel 2005. *The Corporation*. Free Press
2. Korten, David C. 1995. *When Corporations Rule the World*. Kumarian Press and Berrett-Koehler Publishers.

Readings will be added/ circulated from time to time.

Detailed Outline

Session

Details

- I. **Introduction:** What is a corporation?
Decades Later, Toxic Sludge Torments Bhopal
Assignment
1. Identify different stakeholders in the case and do a benefit to cost analysis for each of the stakeholders.
 2. Why do you think sludge remains and still polluting 25 years after Bhopal Gas?
 3. What does the case say about the nature of corporations?

Bakan, Ch1 – The Corporation’s Rise to Dominance

II-III.

Corporation as a Property of the Shareholders

The Social Responsibility of Business is to Increase Its Profits
Revisiting Friedman's Construct of Corporations

Assignment

1. Discuss the two readings in light of the Bhopal case and argue your position on the debate.
2. What is corporate responsibility and how can they be held accountable for any wrongs given their legal features?

IV-V.

Corporation as an Efficient Governance system

Introduction, The Visible Hand - Chandler
Behind the Veil of 'Corporate Efficiency'

Assignment

1. Examine the basic proposition of Chandler and comment in light of Friedman in the previous reading.
2. Analyse *Behind the Veil of 'Corporate Efficiency'* and comment in light of Chandler's framework

Bakan, Ch 3 – The Externalising Machine

VI-VII.

Corporation as an Instrument of Development, Welfare & Governance

The Family that Built an Empire of Pain

Assignment

1. Analyse and evaluate the philanthropic work of the Sackler family.
2. In this light suggest a framework to analyse CSR. What does CSR do and/ or not do?
3. Why has it gained such wide currency in recent years?

Bakan, Ch 2 - Business as Usual

Tyranny of big oil:

<https://www.youtube.com/watch?v=rQL-TAT5Oj8>

Assignment

Critically examine the proposition that: 'corporations bring development and welfare'

Corporate Personhood: Rights without responsibilities

Bakan, Ch 4 - Democracy Ltd.

VIII - IX.

Corporations as Markets

The Curious Case of Reliance KG Basin Gas Business

Assignment

1. Privatisation is supposed to bring in market forces into play. Analyse the case in light of the idea of free markets.
2. So what does privatisation do?

How the Adani Group funded its expansion

Assignment

Comment on the funding, growth, and control structures of the corporation

Perelman: Ch 3 – Railroads and the Fixed Costs

X-XI. Corporations as a Regulatory System

How Reliance Jio's Entry Tied Regulatory Knots Around India's Telecom Ecosystem

Assignment

Comment on the regulatory and policy framework of the industry based on this case

Telecom: Rising State-Monopoly Capital Complex in India

Assignment

Comment on the regulatory and policy framework of the industry based on this case

XII. Summing Up

Telecom Industry in India: Market Forces or Monopoly-Finance Capital?

Competition Is Dying, and Taking Capitalism With It

On Projects

The purpose of the project is to bring out the real life complexities of corporations as an institution and test the classroom discussions and theories in light of actual practices. I recommend you to take up an actual corporation and/ or an industry and study some aspect of it that relates with this course. You may study features like: corporate governance, functioning of the boards, corporate ownership, mergers and acquisitions, industry structure, CSR, regulatory framework, corporate-society-state relations, etc. – this is only a suggestive and not an exhaustive list.

Guidelines

1. This is a group project.
2. The idea is to frame a problem not only from the point of business and profits but from a larger frame that is being discussed in the class; identify the stakeholders and examine the problem from their respective points of view.
3. The objective of the project is to examine a real life phenomenon in the light of the on-going debate and then come up with your own analysis and not merely repeat what others have said.