



G

O

D

O

O

O

O

D

# Week 4 : Short History of American Business

9/12

Government Regulation

Enterprise

## The World Today

Capitalism is different in different places

- EU, Japan, China, US

## Birth of America

Founded by people who believed gov was an evil

- weak gov

John Locke: social contract

Adam Smith: Laissez-faire

Herbert Spencer: Social Darwinism: evolution natural selection fittest

survive, prop up the weak, government  
no competitions, out of existence

## Church

ungodly to have lots of wealth

wealth was not ticket to heaven

## Max Weber

worked to uncover forces in West that caused abandon religion,  
gain wealth

Early America: Simple Life : everyone was a farmer

Cotton was King

Half of US exports, didn't pay wages for slaves

Railroads: Robber barons

increasingly profitable enterprise

## Trusts

The trusts: Vertical alignment

Rockefeller: oil

Carnegie: steel

JP Morgan:

Theodore Roosevelt: Sherman Anti Trust Act: underfunded

1911: broke up standard oil

1914: Clayton Act: set standards

Coolidge: against heavy business

Stock market loses 40% value in a week

FDR: Massive Investment in Works Programs

NPA, CCC, NIRA, TVA

WWII: many jobs → women went into workforce

Help rebuild after WWII → American manufacturing

JFK → Lyndon B. Johnson

- Civil Rights Acts

- Voting Rights Act

concerned w/ quality of life

In Nixon environmental legislation EPA  
Presidency:

Carter: notes

Bush: pro business

Ethics

9/19

What could you live w/

Law and Ethics is a coincidence

**Ethics**: set of moral principles or values that governs conduct of individual or

- study of right or good for people

**Ethical** fundamentalism: when ethics come from

**Individual** relativist: is right or wrong for them to sell basically the opposite can you look to

Utilitarianism: the greatest happiness for the greatest amount of people  
A rule utilitarianism if it violates the rule we don't obey otherwise we cost benefit analysis

Kant deontology: certain principles are right or wrong outcome is irrelevant judge morality of act by the motive depends on what the motive is

Utilitarianism about the outcome

↳ **Consistency**: treat all circumstances the same

↳ **Reversibility**: if you use to judge, others can use to judge you

John Rawls: contemporary

↳ **Distributive Justice**: not motive or outcome, about fairness → essence of justice

Obey moral rules to live in peace

Least advantageous in society should receive same amount of help

# Week 6: Ethics

9/26

Are ethics enduring or relatively

Do ethics change by culture?

**Ethical Fundamentalism:** consistent

always different when it comes to you

↓ no adaptability, no disagreeability, consistently unethical

**Ethical Relativism:** no universal rules

↑ room for empathy, case by case, flexibility,  
navigate different systems, nuanced

↓ bad ethics, relativism has no bounds, consistency,  
emotions can come in, unconscious and conscious bias  
social cohesion

\* **Utilitarianism:** Act Utilitarianism, Rule Utilitarianism → rules we don't update

**Consequentialism:** rightness determined by consequences

**Hedonism:** Pleasure is the only judgement

**Maximalism:** Does greatest amount of good/bad ratio

**Universalism:** greatest amount for everybody

-everyone is considered as long as net benefit pos

↑ more people happier, fair, logical, needs of others before yourself

↓ unclear measuring utilitarianism, cannot predict, justifies helping majority over minority, long term effects for short term results  
justice, fairness are irrelevant

**Deontology:** based on intention

↳ Fidelity : keep promise

Reparation : compensate for any injuries

Gratitude : return favors

Justice : ensure distribution by merit

Beneficence : improve conditions of others

Self-Improvement : improve your own condition for virtue, intelligence

Non-maleficence : avoid harming or injuring others

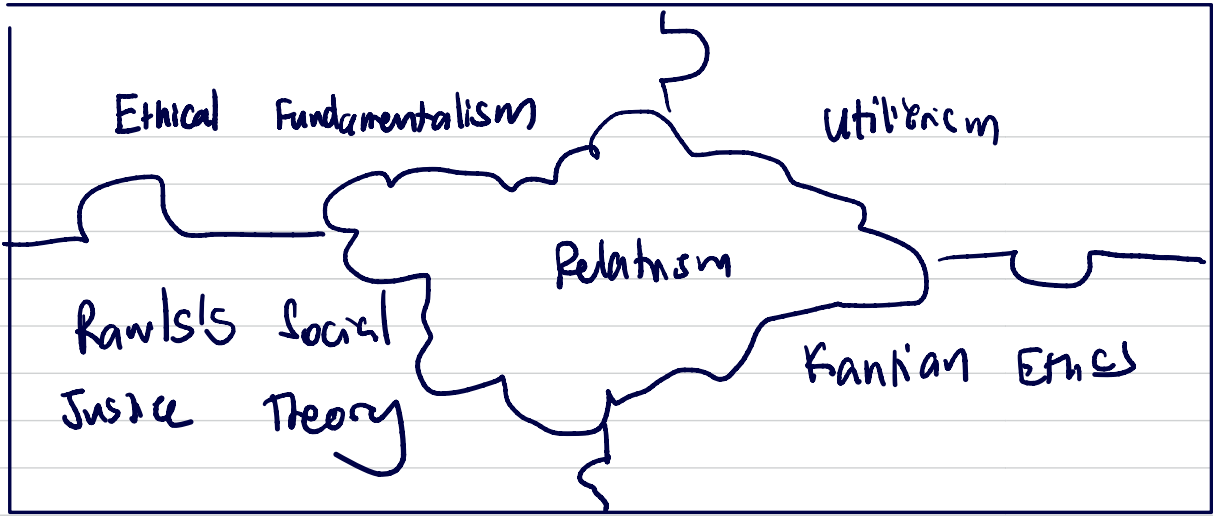
↑ intentions in present, reduces hypocrisy

↓ sometimes outcome is the only thing that matters

**Distributive Justice:** (Rawls): veil of ignorance, equality doesn't mean justice, put on veil, "society only as well as least advantageous"

↑ considers and promotes minority,

↓ impossible to put on veil of ignorance, stumps innovation  
justify harness to upper advantageous



Week 8:

10/10

## Corporate Social Responsibility

Good environmental, social, and governance policies, better for company

Shareholders have legal standing

Stakeholder Capitalism: World Economic Forum

New Purpose of Corporation:

Regenerative economy based on Justice ESG

Talk to big funds

Inflection Point: Technology, Policy, Passion

Climate Change: reduce by 52%, Net Zero 2050 plan

Ocean Plastics: Eliminate single use plastics, reduce plastics, increase recycled

Environmental Health:

Social Justice: DEI

Transparency: disclosure, audited, state where you are and headed

Emissions: 1) lights 2) supply chain 3) product

Carbon Emissions:

no standard assessment  
- compare w/ hold from accounting ✓ FA  
↳ ESG

ESG: multibillion fund 90 actual funds that set a D on ESG

SEC allow to borrow (10b) to have a plan

↳

Or no policies SEC advisory



# Week 10: Political Issues

10/24

Politics: ideology debate for direction of state of country

Politicians care about funders

Committee chairs control lots of bills

↳ do whatever to get reelected → money

created pandering audiences, mail to specific people (Black, Grey)

Lawrence Lessig

Washington is corporate territory. pays more attention to  
corporate more than people

All bought bc needs money to run campaign

ROI \$1 spent gets \$6-20 tax writeoffs

Independently elections

# Week 11: Regulation

Money buys politics

Need bureaucracy in order to maintain systems

Regulators are not elected, director of agencies are appointed

John Jacob Astor: fur business

Many departments to regulate

Commerce w/ foreign nations, within state, Indian Affairs  
inherent to the Constitution

No regulation until 1906

1938 Fair Labor Standards Act

first great role Congress

Public Good, Externalities, bulk of rule power

Greater use of commerce clause

Vague: nutritional facts

negative effect on third parties

Command and control

↑ sets standard, specific targets

↓ bad for small businesses, wait for gov in case doesn't follow regulations.

Market Incentives

who receives, emissions trading,

## Agency Capture Theory

Supporters of the regulated industry will capture the regulatory agency

- Revolving door, lobbyist, social bonds

Regulatory Agency serves the interests of industry not the consumer

more expected to go to smaller airports