

COMM 531
Communication and the International Economy
Fall 2005

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Course description: This course looks at how changes in the technological and political-economic environment have transformed the terms of competition in the communication and information technology (ICT) industries on a global scale. It focuses on the strategies of companies across a variety of ICT sectors: broadcasting, film, telecommunications, the Internet, video games, and the music industry. The course starts by discussing the knowledge economy and the role of ICTs in global markets. In the second part, we focus on specific ICT sectors and look at real-world examples through a series of case studies.

Career relevance: As the revolution in communication technologies creates truly global markets, the ability to understand the international dimension of the commercial decisions with which organizations are confronted has become a critical managerial skill. Whether you pursue a career in Hollywood, an Internet start-up, advertising, or the non-profit sector, you will be faced with decisions that cut across political, economic, and cultural borders. How should you expand internationally? How important is having locally-produced content? What are the regulatory and cultural barriers that need to be considered in your strategy? This course intends to give students the analytical tools to address these types of questions by providing an understanding of the global forces shaping communication markets (understood broadly) and how firms are adapting their international strategies to these changes.

Class structure: The course will follow a seminar teaching style, which implies keeping lectures to a minimum and stressing class discussions around the case studies, since they represent the kind of real-world situation you are likely to face in your career. Each meeting will be divided in two parts (with a 10-minute break in between). The first part will be more lecture-oriented, while the second will be dedicated to the case studies and will be primarily led by the students (see below).

Course requirements: There are five requirements for the course:

1. **Class participation.** Students are expected to make informed contributions to class discussions and in-class activities. What does it take to make *informed* contributions? First and foremost, do the readings before class. Second, I strongly encourage students to follow the ICT industry news.
2. **Take-home mid-term.** There will be a short take-home mid-term. It will be handed out on Wednesday, October 5 and will be due the next class (Wednesday, October 12). No late midterms will be accepted.
3. **Case study presentation.** Student will work in groups to present and lead discussion on the weekly case studies (the size of the groups will depend on the number of students in the class). Each group will be assigned one case study. Cases will be assigned on a first-come first-served basis. You are required to email me your first,

second, and third preferences for the case study by the end of the third week of classes (September 9).

4. **Class project.** Students will work in groups on a project in which they are expected to develop a case study related to the topics covered in class. A one-page synopsis of the project should be submitted by September 28. Students will present their projects to the class in the last two weeks of classes. Presentations must be business-like (30 minutes suggested), and include visual aids and a written report (15 double-spaced pages suggested).
5. **Final exam.** There will be a take-home final exam similar to the mid-term exam. It will be handed out in the last class (November 30) and will be due Wednesday, December 7. Under no circumstances late exams will be accepted (I mean it).

Important dates to remember:

Assignment	Due by
Case study preferences	September 9
One-page project synopsis	September 28
Take-home mid-term	October 12
Class project	November 16 or November 30
Final exam	December 7

Grading: Requirements will be weighed as follows:

Class participation	10%
Take-home mid-term	20%
Case study presentation	20%
Class project	30%
Take-home final	20%

Course material.

There is a course reader (available from the USC bookstore) and a number of readings you will download from the Internet. The course website is available through the TOTALE (formerly Blackboard) system. The address is <http://learn.usc.edu> (note: do not type "www"). You login with your USC username and password. All course materials and announcements will be made available through the course website.

A brief announcement from the Office of Civil Rights: Students requesting academic accommodations based on a disability are required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from the DSP when adequate documentation is filed. Please be sure the letter is delivered to me as early in the semester as possible. DPS is open Monday-Friday, 8:30-5:00. The office is in Student Union 301 and their phone number is (213) 740-0776.

The Annenberg School for Communication is committed to upholding the University's Academic Integrity code as detailed in the SCampus Guide. It is the policy of the School of Communication to report all violations of the code. Any serious violation or pattern of

violations of the Academic Integrity Code will result in the student's expulsion from the Communication major or minor.

Class schedule

Week 1 (August 24). Introduction to the class.

Week 2 (August 31). Information goods and services: Basic principles.

- Shapiro, C., & Varian, H. (1999). *Information rules*. Boston: Harvard Business School Press. Chapter 1: The information economy (in reader).
- The Economist. Survey: The New Economy (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20000923>

Week 3 (September 7). The information economy: What is it?

- Pohjola, M. (2002). The New Economy: facts, impacts and policies. *Information economics and Policy 14*: 133-144. Available at <http://hk.kk.fi/~pohjola/The%20New%20Economy.pdf>
- Cohen, S., DeLong, B., Zysman, J. (2000). "Tools for thought" What is new and important about the "e-conomy"? BRIE Working Paper #138 (p. 1-40, the rest is optional). Available at <http://e-conomy.berkeley.edu/publications/wp/wp138.pdf>

Week 4 (September 14). ICTs and development.

- McNamara, K. (2003). Information and communication technologies, poverty, and development: Learning from experience. Available at http://www.infodev.org/files/833_file_Learning_From_Experience.pdf
- ITU. (2003). World telecommunications development report (Chapter 4: ICTs and the millennium development goals). Available at http://www.itu.int/ITU-D/ict/publications/wtdr_03/
- Steinmueller, E. (2001). ICTs and the possibilities for leapfrogging by developing countries. *International Labour Review 140*(2): 193-210 (in reader).

Week 5 (September 21). Where it all began: The telecommunications industry.

- Noll, R. (1999). *Telecommunications reform in developing countries*. AEI-Brookings Working Paper 99-10 (p. 1-28, the rest is optional). Available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=181030
- Telecommunications industry survey. Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20031011> (read all articles).
- Waverman et al. (2005). The impact of telecoms on economic growth in developing countries. Available at http://www.vodafone.com/assets/files/en/AIMP_17032005.pdf

Case study: ENTel and the Privatization of Argentine Telecommunications

Week 6 (September 28). Where it is going: The Internet.

- David, P. (2002). The evolving accidental information super-highway. *Oxford Review of Economic Policy 17*(2): 159-187 (in reader).
- Clark, D., & Blumenthal, M. (2001). Rethinking the design of the Internet: The end-to-end arguments vs. the brave new world. *ACM Transactions on Internet*

Technology I(1): 70-109. Available at
<http://portal.acm.org/citation.cfm?id=383034.383037>

Case study: Internet in China

Week 7 (October 5). E-commerce.

- Mansell, R. (2001). Digital opportunities and the missing link for developing countries. *Oxford Review of economic Policy* 17(2): 282-295 (in reader).
- Bastos Tigre, P. 2003. *E-Commerce Readiness and Diffusion: The Case of Brazil*. Available at <http://crito.uci.edu/publications/pdf/gec/brazil.pdf>
- The Economist. Survey: E-commerce (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20040515>

Case study: E-commerce in Latin America

Week 8 (October 12). The global film industry.

- Veron, L. (1999). *The competitive advantage of Hollywood industry*. Center for International Studies, University of Southern California Working Paper. Available at <http://www.ciaonet.org/wps/vel01>
- U.S. Department of Commerce (2001). *The Migration of U.S. Film and Television Production* (pp. 1-32, the rest is optional). Available at www.ita.doc.gov/media/filmreport.htm

Case study: Sony and Columbia Pictures

Week 9 (October 19). The broadcast industry.

- Galperin, H. (2004). *New TV, Old Politics*. New York: Cambridge University Press, p. 3-24 (in reader).
- Girard, B. (2003). Radio and the Internet: Mixing media to bridge the divide. Available at <http://www.comunica.org/1-2-watch/pdf/chapter1.pdf>
- The Economist. Survey: Television (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20020413>

Case study: BSkyB

Week 10 (October 26). The music industry.

- Lessig, L. (2004). *Free culture*. New York: Penguin Press (chapter 5: 62-79, the rest is optional). Available at <http://www.free-culture.cc/freeculture.pdf>
- Seabrook, J. (2003). The money note: Can the record business survive? *The New Yorker*, July 7, 2003 (in reader).

Case study: RCA Records: The digital revolution

Week 11 (November 2). Intellectual property rights.

- Samuelson, P., & Davis, R. (2000). *The digital dilemma: A Perspective on Intellectual Property in the Information Age*. Available at: <http://www.sims.berkeley.edu/~pam/papers/digdilsyn.pdf>

- Maskus, K., & Reichman, J. (2004). The globalization of private knowledge goods and the privatization of global public goods. *Journal of International Economic Law* 2004 7(2): 279-320. Available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=692902

Case study: Finding the Balance: Intellectual Property in the Digital Age

Week 12 (November 9). Social implications of the new economy.

- UNDP. (2004). *Human Development Report 2004: Cultural Liberty in Today's Diverse World* (read chapter 5, the rest is optional). Available at http://hdr.undp.org/reports/global/2004/pdf/hdr04_chapter_5.pdf
- Giddens, A. (1999). Runaway world lecture. Available at <http://www.lse.ac.uk/Giddens/pdf/10-Nov-99.PDF>

Case study: Exporting American culture

Week 13 (November 16). Project presentations.

Week 14 (November 23). No class (Thanksgiving).

Week 15 (November 30). Project presentations.