

Course # | Principles of Business Ethics

Description

Business ethics is usually taught either from a philosophical perspective that derives guiding normative principles from abstract theories of philosophical ethics or from an atheoretical perspective that has students analyze cases that present difficult ethical issues and propose solutions on a casuistic basis. This course takes a third approach—the Principles Approach—that derives guiding normative principles teleologically from the nature of market activity itself. Questions we will explore include: Is capitalism a compromise with corrupt human nature, or would we have grounds to prefer capitalism over socialism even in utopian conditions? What does ethical consumerism look like in a democracy? Why do good people do bad things (generally, but especially in business)? What can we do to promote more ethical business behavior? Are sweatshops or price gouging exploitative, and how can they be objectionable if they are mutually beneficial? What are the ethical limits to the use of strategic deception in negotiations? When should businesses restrict their involvement with suppliers that engage in human rights violations? And what are the responsibilities of businesses to fight climate change? You should leave the course with a clearer sense of what ethical conduct in business looks like, as well as strategies for encouraging it in yourself and others.

Assignments

- (1) *Practical Decisionmaking Exercise*: Each lecture is accompanied by a case study. Each week, a different team of students will be tasked with developing a response to the case and publicly defending the ethical and practical merits of their proposal. Each group will present twice over the course of the semester.
- (2) *Two Response Essays*: The readings for each class are accompanied by two or three reflection questions. Sign up for two classes for which you will compose a 1000-word response paper to one question for that date. Papers are due by 11:59 PM one week after the class to which you are responding.
- (3) *Simulation*: An in-class simulation will take place [date]. In addition to participating in the activity, you will be asked to respond to several short reflection questions about the experience.
- (4) *Original Op Ed*: Write a 700-1000-word essay appropriate for the op-ed or “guest essay” genre. The editorial should address a prominent, contemporary business decision or controversy, and it should offer an analysis that draws on one of the ethical concepts studied so far. Use key features of the op-ed genre that we have discussed in class, including a strong opening, short and punchy paragraphing, an acknowledgment of alternative points of view, and a “should” statement near the end of your essay. Essays are graded on their rhetorical force as well as their analytical rigor.
- (5) *The Ethics Project*: You will form 6 groups of students by [date]. Your main task as a group is to do what I call “the Ethics Project”: *Think of something good to do. Do it.* The goal of this project is for you to do something that adds value to the world. On one of the last two days of class, your group will make a presentation that answers the following questions. You will also write up a report answering these questions, due on the last day of class.

How did you interpret the imperative to do something good? Did you focus on moral or nonmoral goodness? Why? How did you decide about the tradeoff between what’s most desirable and what’s most feasible? What were your opportunity costs? How did you allocate labor in your group? What obstacles did you expect to encounter and how did you pre-emptively plan to overcome them? What obstacles did you in fact encounter, and how did you respond? Did you add value to the world, considering the costs of your time, effort, and any money spent? Did you succeed or fail, and by what standards should we judge you? What did you learn? What would you have differently?

For your final project, write up a paper explaining what you did or tried to do, why you thought it was good to do, what happened along the way, whether you succeeded or failed (and by what measure?), and what you learned. You will also present your project to the class at the end of the semester. Presentations needn’t be formal but should be informative and worth everyone else’s time.

1. Foundations

What is *Business Ethics*?

01. ▪ Amartya Sen, “Does Business Ethics Make Economic Sense?,” *Business Ethics Quarterly* 3, no. 1 (January 1993): 45–54.
- Brian Berkey, “What Should Business Ethics Be? Aims, Methodology, Substance,” forthcoming.

Ethical Foundations: The Right and the Good

02. ▪ Thomas M. Scanlon, “Contractualism and Utilitarianism,” in *The Difficulty of Tolerance* (Cambridge, UK: Cambridge University Press, 2003), Chapter 7.
- R. McDougall, “Acting Parentally: An Argument Against Sex Selection,” *Journal of Medical Ethics* 31, no. 10 (October 1, 2005): 601–5.

2. Justice in Production

The Marxist Critique

03. ▪ Karl Marx, “Wage Labor and Capital,” in *The Marx-Engels Reader*, ed. Robert C. Tucker, 2nd ed. (New York, NY: Norton, 1978), 203–17.
- G. A. Cohen, *Why Not Socialism?* (Princeton: Princeton University Press, 2009).

A Defense of Markets

04. ▪ Jason Brennan, *Why Not Capitalism?* (New York ; London: Routledge, Taylor & Francis Group, 2014).

Justice in Production

05. ▪ Nien-hê Hsieh, “Survey Article: Justice in Production,” *The Journal of Philosophy* 16, no. 1 (2008): 72–100.
- Brian Berkey, “Ethical Consumerism, Democratic Values, and Justice,” *Philosophy & Public Affairs* 49, no. 3 (June 2021): 237–74.

3. Why Do Good People Do Bad Things?

The Principles Approach

06. ▪ Jason Brennan et al., *Business Ethics for Better Behavior* (New York, NY: Oxford University Press, 2021), 30-60 and 81-97.

Exploitation

07. ▪ Jason Brennan et al., *Business Ethics for Better Behavior* (New York, NY: Oxford University Press, 2021), 61-80.
- Matt Zwolinski and Alan Wertheimer, “Exploitation,” in *The Stanford Encyclopedia of Philosophy*, ed. Edward N Zalta, 2017, <https://plato.stanford.edu/archives/sum2017/entries/exploitation/>.
- Brian Berkey, “Sweatshops, Structural Injustice, and the Wrong of Exploitation: Why Multinational Corporations Have Positive Duties to the Global Poor,” *Journal of Business Ethics* 169, no. 1 (February 2021): 43–56.

08. **Deception, Fraud, and the Ethics of Negotiation**

- Alan Strudler, “On the Ethics of Deception in Negotiation,” *Business Ethics Quarterly* 5, no. 4 (October 1995): 805–22.
- J. Gregory Dees and Peter C. Cramton, “Deception and Mutual Trust: A Reply to Strudler,” *Business Ethics Quarterly* 5, no. 4 (October 1995): 823–32.
- Lisa Herzog, “The Game You Are In: Misleading through Social Norms and What’s Wrong with It,” *Filozofija i Društvo* 28, no. 2 (2017): 250–69.

Incentives

09. ▪ Jason Brennan et al., *Business Ethics for Better Behavior* (New York, NY: Oxford University Press, 2021), 99-182.
- Joel Feinberg, “Collective Responsibility,” *The Journal of Philosophy* 65, no. 21 (November 7, 1968): 674–88.

Moral Psychology

10. ▪ Jason Brennan et al., *Business Ethics for Better Behavior* (New York, NY: Oxford University Press, 2021), 202-224.
- [In-class simulation: “Panalba”]

4. Topics in Business Ethics

Role Morality

11. ▪ Kevin Gibson, “Contrasting Role Morality and Professional Morality: Implications for Practice: Contrasting Role Morality and Professional Morality,” *Journal of Applied Philosophy* 20, no. 1 (January 2003): 17–29.
- Arthur Isak Applbaum, “Are Lawyers Liars?: The Argument of Redescription,” *Legal Theory* 4, no. 1 (March 1998): 63–91.

Creative Compliance and The Ethics of Entrepreneurship

12. ▪ Doreen McBarnet, “Legitimate Rackets: Tax Evasion, Tax Avoidance, and the Boundaries of Legality,” *The Journal of Human Justice* 3, no. 2 (September 1992): 56–74.
- George G. Brenkert, “Innovation, Rule Breaking and the Ethics of Entrepreneurship,” *Journal of Business Venturing* 24, no. 5 (September 2009): 448–64.

International Business Ethics

13. ▪ Patricia H. Werhane, “Globalization and Its Challenges for Business and Business Ethics in the Twenty-first Century,” *Business and Society Review* 117, no. 3 (2012): 383-405.
- Florian Wettstein, “Silence as Complicity: Elements of a Corporate Duty to Speak Out Against the Violation of Human Rights,” *Business Ethics Quarterly* 22, no. 1 (January 2012): 37–61.
- John Douglas Bishop, “The Limits of Corporate Human Rights Obligations and the Rights of For-Profit Corporations,” *Business Ethics Quarterly* 22, no. 1 (January 2012): 119–44.

Business and Global Warming

14. ▪ Robert E. Goodin, “Selling Environmental Indulgences,” *Kyklos* 47 (1994): 573–96.
- Denis G. Arnold and Keith Bustos, “Business, Ethics, and Global Climate Change,” *Business and Professional Ethics Journal* 24, no. 1 (2005): 103–30.

15. ▪ “Ethics Project” Presentations
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