

## ETHICS AND SOCIETY: BUSINESS ETHICS

### Reading

One book is required for this course:

Joanne Ciulla, Clancy Martin, and Robert Solomon, eds., Honest Work, 2<sup>nd</sup> edition (Oxford University Press, 2011).

You can purchase the book at the UCSD bookstore or on line. It is also on reserve at the Geisel Library.

Assigned readings not in this book can be accessed on and downloaded from the class web page:

<http://dss.ucsd.edu/~ecomisso/philo28/>

The web page also contains material you are not required to read for the course, but which is interesting, topical and relevant to the issues we shall cover.

### Lectures and sections

Lectures are on Mondays and Wednesdays. You are responsible for knowing the material presented at lectures, and you are required to attend the section in which you are enrolled.

On sections: Discussing and debating the topics we will consider is an essential part of the course. Thus, **attendance at sections is required**. To encourage you to come prepared and to prevent you from falling behind in the reading, you may be given occasional short quizzes dealing with the required reading, at the discretion of your TA. Attendance will be taken in section; participation and preparation are factored into the final grade. Please note that 3 unexcused absences result in the final grade average dropping by one letter.

### **3. Requirements and Evaluation**

You will be required to write three papers (about 6 pp. each), one of which will be a final exam. Topics will be posted on the web page at least one week before they are due. The first paper will be due on Monday, October 24; the second paper will be due on Friday, November 18. Papers must be submitted through *turnitin.com*. In calculating your course grade, the first paper will be worth approximately 25-30%, the second paper 30%, and the final exam will be worth 35%. Section participation and quizzes (if there are any) will be worth 10%. Participating in discussions on the virtual section “counts” as participation (yes, you’ll see, we have a way to find you with your phoney names, too!).

### **4. Office hours**

Professor Comisso’s office is in the Social Science Building, Room 377. Office hours are Thursday, from 2:30-4:00 pm or by appointment (534-3180). Professor Comisso enjoys meeting with students and encourages you to arrange to see her. She can also be reached by email: [ecomisso@ucsd.edu](mailto:ecomisso@ucsd.edu) Your TA will announce his/her office hours in section.

And in addition: Be sure to check out the Ethics and Society web page, with lots of links to the topics, a direct line to your TA, assignments and tips, and featuring **The Virtual Section!** Post your thoughts...and see who responds!

## READING ASSIGNMENTS

Readings posted on the class web page are indicated with a link. Optional readings are marked by an asterisk (\*)

### Unit I. Normative Ethics and Business Ethics (Sept. 26-28)

#### 1. Schools of Ethics

##### a. Consequentialism

- i. John Stuart Mill, "Utilitarianism" (\*)  
<http://webs.wofford.edu/kaycd/ethics/mill.htm>
- ii. Andrew Carnegie, "Wealth," in *Honest Work (HW)*, pp. 86-9
- iii. "Mill on the Greatest Good and Expediency," *HW*, p. 12

##### b. Non-consequentialism

- i. Immanuel Kant, "Fundamental Principles of the Metaphysics of Ethics" (\*)  
<http://www.uwplatt.edu/~drefcins/254kantmetamorals.html>
- ii. Norman Bowie, "Respecting the Humanity in a Person," *HW*, pp. 3-6
- iii. "WD Ross on Prima Facie Duties," *HW*, p. 6

#### 2. Is "business ethics" a contradiction in terms?

- a. John Ladd, "Morality and the Ideal of Rationality in Formal Organizations"
- b. Adam Smith, "On Human Exchange and Human Differences," *HW*, pp.167-9

### Unit II. Distributive Justice and Fairness (Oct. 3-10)

#### 1. Reality

- a. "Land of the Free, Home of the Poor: (video)  
[http://www.pbs.org/newshour/bb/business/july-dec11/makingsense\\_08-16.html](http://www.pbs.org/newshour/bb/business/july-dec11/makingsense_08-16.html)
- b. "Americans facing more inequality, more debt, and now more trouble?: (video) (\*)  
[http://www.pbs.org/newshour/bb/business/july-dec11/makingsense\\_08-17.html](http://www.pbs.org/newshour/bb/business/july-dec11/makingsense_08-17.html)
- c. Uwe Reinhardt, "What Does Economic Growth Mean For Americans?"  
<http://economix.blogs.nytimes.com/2011/09/02/what-does-economic-growth-mean-for-americans/?scp=1&sq=Reinhardt%20inequality&st=cse>
- d. "Executive compensation," *HW*, p.194
- e. William Shaw and Vincent Barry, "Poverty in America," *HW*, pp.210-12 (\*)
- f. Center for American Progress, "understanding Mobility in America"(\*)  
<http://www.americanprogress.org/issues/2006/04/b1579981.html>

2. Is a society whose economy produces these results without correction just?
  - a. John Rawls, "Justice as Fairness," *HW*, pp.174-6
  - b. Robert Nozick, "Anarchy, State and Utopia," *HW*, pp. 176-83 (pp. 183-7 optional)
  - c. Irving Kristol, "A Capitalist Conception of Justice," *HW*, pp. 190-6
  - d. Robert Kuttner, "Everything for Sale," *HW*, pp. 654-7

### Unit III. Corporate Social Responsibility (Oct.10—October 19)

1. Reality
  - a. B. Grow, S. Hamm, and L. Lee, "The Debate over Doing Good," *HW*, pp. 251-3
  - b. Brian Grow, "Out at Home Depot," <http://www.msnbc.msn.com/id/16469224/>
  - c. Johnson and Johnson Credo (\*)  
[http://www.jnj.com/wps/wcm/connect/c7933f004f5563df9e22be1bb31559c7/jnj\\_ourcredo\\_english\\_us\\_8.5x11\\_cmyk.pdf?MOD=AJPERES](http://www.jnj.com/wps/wcm/connect/c7933f004f5563df9e22be1bb31559c7/jnj_ourcredo_english_us_8.5x11_cmyk.pdf?MOD=AJPERES)
  - d. "Johnson and Johnson Faces More Scrutiny from FDA" (\*)  
<http://www.businessweek.com/news/2011-03-11/j-j-faces-more-scrutiny-from-fda-on-mcneil-consent-decree.html>
  - e. *The Economist*, "The Centenarians Square Up"  
<http://www.economist.com/node/18802844>
  - f. Sasha Lyutse, "Nike Suppliers in Vietnam," (\*) *HW*, pp. 214-5
  - g. Kelley Macdougall, et. al., "The NYSEG Corporate Responsibility Case," *HW*, pp. 246-8
  
2. What is "corporate social responsibility" and is it a necessary or sufficient condition of ethical business behavior? Is a corporation a moral actor?
  - a. Milton Friedman, "The Social Responsibility of Business is to Increase its Profits," *HW*, pp. 218-23
  - b. Kenneth Arrow, "Social Responsibility and Economic Efficiency," *HW*, pp. 238-42
  - c. Peter French, "Corporate Moral Agency," *HW*, pp. 227-32
  - d. John Ladd, "Morality and the Ideal of Rationality in Formal Organizations"
  - e. Ian Davis, "The Biggest Contract,"  
<http://www.economist.com/node/4008642/print>
  - f. Robert Reich, "Supercapitalism," *HW*. pp. 646-054
  - g. R. Edward Freeman, "A Stakeholder Theory of the Modern Corporation," *HW*, pp. 232-8

[PAPER #1 WILL COVER UNITS 1-III. IT WILL BE DUE ON OCTOBER 24]

#### Unit IV. Do No Harm? Safe products, safe workplaces (October 24-31)

1. Reality
  - a. Mark Dowie, "Pinto Madness," *HW*, pp. 345-9
  - b. Patricia Werhane, "The Pinto Case and the Rashomon Effect," *HW*, pp. 349-52
  - c. William Shaw and Vincent Barry, "The Skateboard Scare," *HW*, pp. 159-60
  - d. Idem, "Living and Dying with Asbestos," *HW*, pp. 363-5
  - e. "Organizational Decision-Making at Aero Products"
  - f. "Made in India" (video) [http://www.pbs.org/newshour/bb/world/july-dec11/madeinindia\\_08-04.html](http://www.pbs.org/newshour/bb/world/july-dec11/madeinindia_08-04.html)
  
2. Harmful or Just Risky? Should ethical norms affect what is bought and sold—or should exchange simply reflect supply and demand?
  - a. John Nesmith, "Calculating Risk: It's Easier Said than Done," *HW*, pp. 333-5
  - b. "What's Risk? Chances of Death?" *JW*, p. 334
  - c. Anita Superson, "The Employer-Employee Relationship and the Right to Know," *HW*, pp. 11-12
  - d. *The Economist*, "Doing Business in Dangerous Places," *HW*, pp. 15-17

#### Unit V. Doing Business Abroad: Ethics and Globalization (Nov. 2-14)

1. Reality
  - a. "Made in India" (video) [http://www.pbs.org/newshour/bb/world/july-dec11/madeinindia\\_08-04.html](http://www.pbs.org/newshour/bb/world/july-dec11/madeinindia_08-04.html)
  - b. Joe Nocera, "Enough Shame to Go Around in China" (\*) <http://query.nytimes.com/gst/fullpage.html?res=9900E5D8103EF93BA25751C0A9609C8B63&scp=1&sq=Nocera%20Google%20China%20shame&st=cs>  
[e](http://query.nytimes.com/gst/fullpage.html?res=9900E5D8103EF93BA25751C0A9609C8B63&scp=1&sq=Nocera%20Google%20China%20shame&st=cs)
  - c. William Stanton, "Dancing with the Dragon: Google Goes toX," *HW*, pp. 445-55
  - d. Thomas Dunne and Diane Robertson, "Foreign Assignment," *HW*, pp. 442-4
  - e. Karen Marquiss and Joanne Ciulla, "Diller's Dilemma," *HW*, pp. 440-2
  - f. Karen Marquiss "The Conflict at Lomatax Chemicals," *HW*, pp. 445-6
  - g. Sasha Lyutse, "Nike's Suppliers in Vietnam," *HW*, pp. 214-6
  - h. *The Economist*, "Doing Business in Dangerous Places," *HW*, pp. 15-17
  
2. Anything morally wrong with these practices? What difference does operating outside the home country make regarding moral norms and behavior?
  - a. Thomas Donaldson, "Values in Tension: Ethics Away from Home" *HW*, pp. 416-23

- b. Robert Phillips and Craig Caldwell, “Ethics and Value chains,” *HW*, pp. 423-428
- c. Ian Maitland, “The Great Non-Debate over International Sweatshops,” *HW*, pp. 428-39

[PAPER #2 WILL INCLUDE UNITS IV AND V AND WILL BE DUE ON NOV. 18]

## Unit VI. The Great Recession (Nov. 16-30)

### 1, The Background: before the storm

- a. David Streitfeld and Gretchen Morgensen, “Building Flawed American Dreams”  
<http://www.nytimes.com/2008/10/19/business/19cisneros.html?ref=thereckoning>
- b. Jo Becker, Sheryl Stolberg, and Stephen Labaton, “White House Philosophy Stoked Mortgage Bonfire”  
<http://www.nytimes.com/2008/12/21/business/21admin.html?ref=thereckoning>
- c. Stephen Labaton, “Agency’s ’04 Rule Let Banks Pile up New Debt” (\*)  
<http://www.nytimes.com/2008/10/03/business/03sec.html?ref=thereckoning&pagewanted=print>
- d. Mark Landler, “Chinese Savings Helped Inflate American Bubble”  
<http://www.nytimes.com/2008/12/26/world/asia/26addiction.html?ref=thereckoning>

### 2. The Action: Who did what...and to whom

- a. Michael Moss and Gerraldine Fabrikant, “Once Trusted Mortgage Pioneers Now Scrutinized”  
<http://www.nytimes.com/2008/12/25/business/25sandler.html?ref=thereckoning&pagewanted=3>
- b. Peter Goodman and Gretchen Morgenson, “Saying Yes, WAMU built an Empire on shaky Loans”  
<http://www.nytimes.com/2008/12/28/business/28wamu.html?ref=thereckoning>
- c. Gretchen Morgenson, “How the Thundering Herd Stumbled and Fell”  
<http://www.nytimes.com/2008/11/09/business/09magic.html?ref=thereckoning>
- d. Charles Duhgg, “Pressured to Take More Risk, Fannie Reaching Tipping Point”  
<http://www.nytimes.com/2008/10/05/business/05fannie.html?ref=thereckoning>
- e. Gretchen Morgenson, “Debt Watchdogs: Tamed or Caught Napping?”  
<http://www.nytimes.com/2008/12/07/business/07rating.html?ref=thereckoning>
- f. Louise Story, “On Wall Street, Bonuses, Not Profits, Were Real”  
<http://www.nytimes.com/2008/12/18/business/18pay.html?ref=thereckoning>
- g. Gretchen Morgenson, “Behind Insurer’s Crisis, Blind Eye to a Web of Risk”  
<http://www.nytimes.com/2008/09/28/business/28melt.html?adxnml=1&ref=thereckoning&adxnmlx=1315454906-YMblZDS1+X9wVt1BRHeUpA>

h. “Titans of an Age No Longer Golden”

<http://www.nytimes.com/interactive/2009/02/20/business/0222-pay-graphic.html?ref=executivepay>

3. The Results?

a. Charles Duhgg and Carter Dougherty, “From Midwest to MTA, Pain from Global Gamble”

<http://www.nytimes.com/2008/11/02/business/02global.html?ref=thereckoning>

b. “Americans facing more inequality, more debt, and now more trouble?” (video)

[http://www.pbs.org/newshour/bb/business/july-dec11/makingsense\\_08-17.html](http://www.pbs.org/newshour/bb/business/july-dec11/makingsense_08-17.html)