

University of Warwick

PH 360 Business Ethics

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Brief Module Description

The module will examine the relationship between normative ethics and business, and the ethical implications of a range of business practices, including employment, investments, and the moral limits of markets. We will start by getting a grounding in the ethical theories relevant to these questions before moving on to trying to understand the nature of a modern public company. We will then take what we've learned and apply it to particular issues relevant to business.

Module Plan

Week 1: What is Business Ethics? Why are we interested in it?

Week 2: Ethical Theories and Their Application to Business Practices.

Week 3: What is a Corporation?

Week 4: Who Does a Corporation Have Duties Towards? And Employee Rights.

Week 5: Employee Rights Continued. And Markets and Capitalism.

Week 6: Reading Week.

Week 7: The Moral Limits of Markets.

Week 8: Tax Justice.

Week 9: Climate and Sustainability Responsibilities.

Week 10: Executive Compensation, and Marketing.

Please note that depending on how long it takes to get through the material the general schedule may be modified as the course progresses. However, the seminar readings will remain unchanged so that you know what to prepare each week.

Requirements and Assessment

Requirements:

Students are required to attend the weekly lectures and seminars and participate actively.

Seminars begin in week 2. Seminars present an opportunity for in-depth discussion of issues raised in the lecture and for a more precise analysis of core texts. You are required to read the core text, and write short written responses to the questions provided. This work is compulsory and without it you will not be able to attend the seminar (and thus be marked absent). Some of these questions are designed to elicit a close reading of the text, but you should also think about the issues raised and use them as a starting point to build your own ideas.

Course Text

There is no assigned textbook or main text for this course. Instead you should be concentrating on the primary readings assigned for the seminars. I would advise you to approach Business Ethics textbooks with caution: the quality can be hugely variable. Nevertheless, the following are useful on some issues:

Andrew Crane and Dirk Matten: *Business Ethics* Oxford.

Norman Bowie: *Business Ethics in the 21st Century* (Available as an electronic resource through the library).

Robert Freiderick: *A Companion to Business Ethics* Blackwell.

The **readings and questions for the seminars** are as follows:

Week 2: James Rachels, “Egoism”: linked to online.

1. Are people always selfish?
2. Why believe in ethical egoism?
3. Is ethical egoism a viable moral theory?
4. If egoism were the right view, would business ethics be pointless? Why/why not?

Week 3: Bernard Williams, Excerpts from *Utilitarianism: For and Against*: linked to online.

1. Does consequentialism compromise an agent’s integrity?
2. Is consequentialism too demanding?
3. Is virtue ethics liable to be a helpful tool for answering the full range of business ethics questions?
4. Think of a business scandal and show how it could have been prevented if the people involved showed a proper respect for the dignity of persons.

Week 4: Milton Friedman, “The Social Responsibilities of Business is to Increase its Profits”: linked to online.

1. Are corporations moral agents?
2. Identify the premises and conclusions of Friedman’s arguments. Then think about whether those premises are true and those conclusions follow.
3. How could Friedman justify a prohibition on companies using fraud?

Week 5: R. Edward Freeman et. al., “Stakeholder Capitalism”: linked to online.

1. Briefly summarise the five conceptions of capitalism identified by Freeman et. al.
2. What is the problem of competition alleged to be? Is it really a problem?
3. What is the separation thesis? Is it really a fallacy, as Freeman et. al. claim?
4. Briefly summarise stakeholder capitalism.
5. Does stakeholder capitalism solve the problems facing the other conceptions of capitalism?

Week 6: Reading Week

Week 7: Debra Satz, *Why Some Things Should Not Be For Sale: The Moral Limits of Markets* (2010), OUP, chapter 1: “What do Markets do?”: linked to online.

1. What is the efficiency justification for markets?
2. What is the freedom justification for markets?
3. What conditions need to be met for these justifications to work?
4. Are these conditions always, often or only rarely in place?

Week 8: Debra Satz, *Why Some Things Should Not Be For Sale: The Moral Limits of Markets* (2010), OUP, chapter 5: “Markets in Women’s Reproductive Labour”: linked to online.

1. What is the asymmetry thesis?
2. Is reproductive labour special?
3. If reproductive labour isn't special, can we still ground the claim that markets in reproductive labour are especially bad in some other way?

Week 9: Simon Caney, 'Climate Change and the Duties of the Advantaged' *Critical Review of International Social and Political Philosophy* 13(1): 203-28.

1. What is the polluter pays principle?
2. What are the limitations of the polluter pays principle?
3. What is the Ability to Pay Principle?
4. Do these two principles together offer a viable account of duties with regards to climate change?

Week 10: Jeffrey Moriarty, "Do CEOs Get Paid too Much?": linked online.

1. Briefly explain each of Moriarty's suggested views on wage justice.
2. What sort of ethical theory does each view depend upon?
3. Is Moriarty right that none of the viable views about justice in wages can support current levels of executive compensation?
4. Are there any alternative, viable, views of wage justice that sanction extremely high levels of executive compensation?

Assessment Methods:

This module can be assessed in the following ways:

100% examination: 2 hours

100% assessed: 2500 word essay

Assessed Essays:

Assessed essays will be due in noon, Tuesday 28th of April; check the Philosophy webpages for details on deadlines and submission procedures.

Here's a list of suggested essay titles. If you choose a title from this list, you will not need my signature.

1. Are zero hours contracts morally permissible?
2. Are corporations moral agents?
3. What is the best argument for a 'just cause' employment regime? Is that argument successful?
4. Does a concern for freedom require a market capitalist system?
5. Should sexual labour be for sale?
6. Do CEOs get paid too much?

Unassessed Essay:

Students must submit 1 x 1500 word unassessed essay by noon on Thursday 19th February.

The question is as follows:

Is consequentialism a useful theory for thinking about business ethics? Discuss with reference to **one** problem it faces being applied to questions in business ethics.

Further Reading List:

(N.B. Each Section contains the material relevant for that week's lecture, not seminar).

Week 1:

Shaver, R. (2014). 'Egoism' <http://plato.stanford.edu/entries/egoism/> .

Crane, A. and Matten, D. (2010). *Business Ethics* OUP, Chapter 1.

Brink, D., 1997, "Self-love and Altruism," *Social Philosophy and Policy*, 14: 122–157.

Week 2:

Sinnott-Armstrong, W. (2001) 'Consequentialism'
<http://plato.stanford.edu/entries/consequentialism/>

Korsgaard, C. (1996). *The Sources of Normativity* CUP (this is quite a difficult text, but rewarding and influential).

Smart, R. N., (1958). "Negative Utilitarianism", *Mind*, 67: 542–3.

Slote, M., (1984). "Satisficing Consequentialism", *Proceedings of the Aristotelian Society*, 58: 139–63.

Railton, P., (1984). "Alienation, Consequentialism, and the Demands of Morality", *Philosophy and Public Affairs*, 13: 134–71. Reprinted in Railton 2003.

Week 3:

Pettit, P. Interview on collective agency:

<https://lucian.uchicago.edu/blogs/elucidations/2014/02/10/episode-56-philip-pettit-discusses-corporate-rights-and-responsibilities/>

Smiley, M. (2010) "Collective Responsibility" <http://plato.stanford.edu/entries/collective-responsibility/>

Bratman, M. (1992) "Shared Cooperative Activity," *Philosophical Review*, 101(1): 327–342.

Bratman, M. (1993) "Shared Intention", *Ethics*, 104: 97–103.

Velasquez, M. (1983), "Why Corporations Are Not Morally Responsible For Anything They Do," *Business & Professional Ethics Journal* 2: 1-18.

Week 4:

Crane, A. and Matten, D. (2010). *Business Ethics* OUP, Chapter 2.

Marcoux, A. (2003), "A Fiduciary Argument Against Stakeholder Theory," *Business Ethics Quarterly* 13(1): 1-24.

Freeman, R.E. and William M. (1990), "Corporate Governance: A Stakeholder Interpretation," *Journal of Behavioral Economics* 19(4): 337-359.

Boatright, J. R. (1994), "Fiduciary Duties and the Shareholder-Management Relation: Or, What's So Special about Shareholders?," *Business Ethics Quarterly*, 4: 393-408.

Maitland, I. (1989), "Rights in the Workplace: A Nozickian Argument," *Journal of Business Ethics* 8: 951-954

Epstein, R. (1984), "In Defense of the Contract at Will," *University of Chicago Law Review* 51: 947-982.

Week 5:

Gaus, G., 'The Idea and Ideal of Capitalism' in Brenkert, G & Beauchamp T. L. (eds.) *The Oxford Handbook of Business Ethics*, (2010), OUP

Heath, Joseph (2004). 'A Market Failure Approach to Business Ethics', in Hodgson, Bernard (ed.), *The invisible hand and the common good*, Springer, Berlin, pp. 69-89

Satz, Debra, (2010). *Why Some Things Should Not Be For Sale: The Moral Limits of Markets* OUP, chapter 1: "What do Markets do?"

Week 7:

Satz, Debra, (2010) *Why Some Things Should Not Be For Sale: The Moral Limits of Markets*, OUP, chapter 3 ("The Market's Place and Scope in Contemporary Egalitarian Political Theory") and 4 ("Noxious Markets").

Michael Sandel, *What Money Can't Buy* (2012), London ; New York : Allen Lane, chapter 3: "How Markets Crowd Out Morals."

Week 8:

Tax Justice Network Annual Report (2012 – second edition) "Tax us if you can," http://www.taxjustice.net/.../pdf/TUIYC_2012_FINAL.pdf

Avi-Yonah, Reuven S. (2000) "Globalization, Tax Competition and the fiscal crisis of the welfare state," *Harvard Law Review*

Axelsen, David V. (forthcoming), "What is wrong with illicit financial flows?," *Ethics and International Affairs*

Week 9:

William H. Shaw & Vincent Barry, *Moral Issues in Business*, (Wadsworth, 2010 – 11th edition), chapter 7: "The Environment."

Caney, S. (2010) 'Climate Change and the Duties of the Advantaged' *Critical Review of International Social and Political Philosophy* 13(1): 203-28.

S.M. Gardiner (2011) *A Perfect Moral Storm: The Ethical Tragedy of Climate Change* (Oxford: Oxford University Press), chapter 8: "Cost-Benefit Paralysis."

Week 10:

Boatright, J. R. (2010) 'Executive Compensation: Unjust or Just Right?' in Brenkert, G & Beauchamp T. L. (eds.) *The Oxford Handbook of Business Ethics*, OUP

Moriarty, Jeffrey. (2005) "Do CEOs Get Paid Too Much?" *Business Ethics Quarterly* 15: 257–281.

Pierre-Yves Néron. (2014) "Egalitarianism and executive compensation: a relational argument" (forthcoming), *Journal of Business Ethics*.