

Business Ethics
Instructor: Joe Nelson

Course Description

Living in an advanced market economy, virtually every aspect of our lives is intertwined with business transactions. In addition to being human beings and citizens, we are all customers, many of us are employees, debtors, and renters, and some of us may be (or become) creditors, employers, or business owners ourselves.

We are so accustomed to all this that we rarely think about it. But on reflection, it is striking that our lives are so enmeshed in a fundamentally adversarial system. Where we live, what we do all day, and whether we have what we need to survive are all profoundly influenced by market forces, which result from often ruthless competition in which business actors strive to dominate one another.

This situation gives rise to all manner of fascinating ethical questions, such as: Do businesses have moral obligations, and if so, what are they? Whose interests are they obligated to serve? What are they permitted to do in pursuing these interests? What is it ethical for them to sell? How should they set prices? How should they treat their employees? And if we, as customers, are aware that a business is in violation of its moral obligations, are we morally obligated not to buy from them?

In this course, we will examine these questions (and more) by:

1. Applying general ethical theory to the business world
2. Reading and criticizing theories devised specifically for business ethics
3. Analyzing real-life cases of controversial business practices

Each week of the course will be devoted to a theoretical issue, which we will approach via a real-world application. Students will prepare short critical responses to the ideas and arguments from the week's reading, which will be circulated to the entire class; these will form the basis for in-class discussion.

As a final project, each student will prepare an original Application in which they apply course concepts to a real-life business scenario, take a normative position on the case, and defend it against carefully considered objections.

Course Topics and Readings

We will begin with a two-week crash course on major schools of thought in moral and political philosophy: utilitarianism, virtue ethics, deontology, John Rawls's "justice as fairness", Marxism, and libertarianism.

Then, we will proceed to a wide survey of topics in business ethics, focused on individual theoretical readings and real-world events and economic phenomena (labeled as "applications" below). Class discussion will be devoted, in large part, to considering positions opposed to those defended in the week's reading.

Is Business Ethical?

- Reading: Christopher McMahon, “Morality and the Invisible Hand”, *Philosophy and Public Affairs* 10 (1981).

Whose Interests Should a Business Serve?

- Reading: John Hasnas “The Normative Theories of Business Ethics: A Guide for the Perplexed”, *Business Ethics Quarterly* 8 (1998).
- Application: The Business Roundtable’s “Statement on the Purpose of a Corporation” (2019) and the response from the Council of Institutional Investors.

The Ethics of Markets pt. 1: Markets and Inequality

- Reading: Wayne Norman, “Rawls on Markets and Corporate Governance”, *Business Ethics Quarterly* 25 (2015).
- Application: Wealth and income inequality in the U.S.

The Ethics of Markets pt. 2: Market Failures

- Reading: Joseph Heath, “An Adversarial Ethic for Business: or, When Sun-Tzu Met the Stakeholder”, in *Morality, Competition, and the Firm: The Market Failures Approach to Business Ethics* (2014).
- Application: The Love Canal disaster and Superfund.

Setting Prices

- Reading: Matthew Zwolinski, “The Ethics of Price Gouging”, *Business Ethics Quarterly* 18 (2008).
- Application: Alleged price gouging after Hurricane Katrina.

Obligations to Employees pt. 1: Hiring

- Reading: Stephen Kershnar, “Why Equal Opportunity is Not a Valuable Goal”, *Journal of Applied Philosophy* 21 (2004).
- Application: Anti-smoking hiring policies by U-Haul and Nagasaki University.

Obligations to Employees pt. 2: Firing

- Reading: Ian Maitland, “Rights in the Workplace: A Nozickian Argument”, *Journal of Business Ethics* 8 (1989).
- Application: At-will employment: U.S. vs. U.K.

Obligations to Employees pt. 3: Compensation

- Reading: Jeffrey Moriarty, “Justice in Compensation: A Defense”, *Business Ethics: A European Review* 21 (2012).
- Application: The minimum wage in the U.S. and the Fight for 15 movement.

Obligations to Employees pt. 4: Working Conditions

- Denis G. Arnold and Norman E. Bowie, “Sweatshops and Respect for Persons”, *Business Ethics Quarterly* 13 (1999).
- Application: Working conditions in Amazon warehouses.

Obligations to Employees pt. 5: Meaningful Work

- Reading: R.J. Arneson, “Meaningful Work and Market Socialism”, *Ethics* 97 (1987).
- Application: Assembly line manufacturing.

Advertising

- Reading: Daniel Attas, “What’s Wrong with ‘Deceptive’ Advertising?”, *Journal of Business Ethics* 21 (1999).
- Application: Benjamin Careathers’s class action lawsuit against Red Bull.

What is it Ethical to Sell?

- Reading: Chris MacDonald and Scott Gavura, “Alternative Medicine and the Ethics of Commerce”, *Bioethics* 30 (2016).
- Application: The sale of “complementary and alternative medicines” (e.g. homeopathy, acupuncture)

Ethical Consumption

- Reading: Linda Radzik, “Boycotts and the Social Enforcement of Justice”, *Social Philosophy and Policy* 34 (2017).
- Application: Consumer boycotts of companies that allegedly employ sweatshop labor (e.g. Nike, The Gap, Amazon).