

LGST 100: Ethics and Social Responsibility

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Fall 2017 Syllabus

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Course Description

Some ways of pursuing a profit in business are uncontroversially wrong. Nearly everybody agrees that it is wrong (as well as illegal) to operate a Ponzi scheme or to program cars to turn off pollution controls when they are not undergoing an emissions test. But businesspeople often face difficult ethical choices about which there is no clear and generally accepted social standard.

This course has three goals. One is to make you more familiar with some of the ethical questions you may face in business. Greater familiarity with the issues will help you to recognize ethical problems lurking in places you may have thought were safe. A second goal is to give you some facility in philosophical reasoning about ethics and to show you how reasoning in this way about hard choices, rather than relying on gut feeling or others' opinions, can be valuable. The third goal is to improve your skills at communicating about ethics. This includes the skill of explaining your own views and arguments clearly as well as the ability to listen to others' views and arguments charitably.

Here are some of the ethical questions we will discuss:

- Should businesses donate to charity or undertake socially valuable projects when doing so probably will not maximize short-term or long-term profits?
- When, if ever, is it ethically acceptable to speak insincerely in business negotiations, in advertising, or in communication with employees?
- Is it wrong for a business to rely on property rights established by an unjust regime?
- Are businesses always morally required to obey the law, even when the law is unenforced or under-enforced? Should businesses obey unjust laws?

- Can an employment contract or a financial contract be wrongfully exploitative even if it is consensual and beneficial to both parties?
- Must employers do anything beyond what the law clearly requires to avoid discrimination and to accommodate employees with disabilities?
- Must corporations do anything beyond what the law clearly requires to avoid harming the environment?
- Are there reasons to regard some types of work as more meaningful than others?

Readings

All readings for the course are available electronically. Most of them will be available via the library's electronic course reserves. You may access e-reserves for the course via Canvas. Case studies published by Harvard Business Publishing and articles from *Harvard Business Review* will be available via study.net. The total cost for the materials on study.net will be \$29.15.

Assignments and Grading

- 15% Questions on the Reading
- 15% Class participation
- 15% First paper (1300-1600 words, due **Friday, October 13, at 2PM**)
- 25% Second paper (1500-1800 words, due **Friday, November 10 at 2PM**)
- 30% Final exam (**at the time appointed by the Registrar**; the time listed on the tentative schedule is Tuesday, December 19, 12PM – 2 PM)

To help guide you through the readings, I will ask you to write out short answers to a few questions on each of the reading assignments. Answers to questions on the reading are due on Canvas before every class except for the first session, which has no reading assignment. Answers to questions on the reading will be graded S/U. To get full credit for the “Questions on the Reading” part of your grade, you will need to turn in answers on most class days. You may skip five sets without penalty, though you are still responsible for doing the reading on days that you skip the QR assignment. (Since there are twenty-seven days with reading assignments, you will have to turn in 22 QR assignments to get full credit.) I will not give written feedback on these assignments, but you are welcome and

encouraged to discuss your answers to questions on the reading with me in office hours. We will always discuss the questions on the reading in class.

Papers should be submitted to Canvas and automatically checked with Turnitin. Late papers will be penalized 1/3 of a letter grade per day late, including weekend days. Answers to questions on the reading must be submitted on time to receive credit.

Grades for all assignments will be on an absolute scale. I will not use a curve. The main criteria for the evaluation of papers will be the clarity of the writing and organization, the accuracy and charity of the presentation of others' views and arguments, and the effectiveness of critical discussion.

Grades for participation will be based on regular attendance and on both the frequency and the quality of active participation, with an emphasis on quality. Comments in class do not have to be true or deep to be helpful (though if you are in possession of deep truths, I hope you will share). Any effort to help the class think through the material is potentially valuable, including mistakes, tentative suggestions, devil's advocacy, and requests for clarification. That said, it will probably not help your participation grade to bullshit, i.e., to speak with the aim of sounding good without caring whether you are saying something true. It also will not help your grade to pretend to have read the day's readings when you haven't or to be hyper-aggressive. To ensure that all students get opportunities to speak, I will not always call on the first students to raise their hands.

Academic Integrity

Information on academic integrity will be available on the course website. Students are expected to know and comply with University regulations regarding academic integrity.

If you use or discuss someone else's ideas—including ideas you get from discussing the course with classmates, friends, or family—you must cite the source. If you use someone else's words, you must clearly identify the quotation as a quotation, and you must cite the source. You are always welcome to speak with

me about when it is necessary to cite a source. If you must make a last-minute decision about citation, it is better to cite too much rather than too little.

Dual submissions are not allowed in this course. No part of any assignment for this course may consist of work that you (or others) have submitted for assignments in other courses, at the University of Pennsylvania or elsewhere.

Though you are welcome and encouraged to discuss the readings with other students in the course, you should write up answers to the “Questions on the Reading” assignments on your own.

Classroom Policies

A recent study indicates that students perform better on conceptual questions if they take notes longhand, rather than typing. (This is true even if students are not attempting to multitask.) Partly for this reason, I will ask you to refrain from using electronic devices in class, including laptops, and you should silence devices before class begins. If you have a disability that requires you to take notes on a computer, or if you have *really* bad handwriting, come talk to me. Whenever there are large blocks of text you will need in your notes, I will provide printed copies.

I will ask you to sit according to a seating chart, which we will set in week 2. I will also ask you display name cards.

Faculty Lunches

I will arrange group lunches with students through the Wharton Meals Program. I invite and encourage you to sign up on Canvas. These lunches are voluntary, and there is no charge to students.

Tentative Schedule of Readings

For some reading assignments, you will not have to read every page of the article or chapter that is posted online. Please look at the daily “Questions on the Reading” assignment on Canvas (even if you are not writing up answers that day) for page numbers and advice about where to focus.

Unit 1: Ethical Requirements and Social Norms

August 31: Social pressures to act rightly

“Merck & Co., Inc.: Addressing Third-World Needs” (study.net)

“A Mucky Business”

Excerpt from Immanuel Kant, *Groundwork of the Metaphysics of Morals*

September 5: Are people necessarily selfish? Should we be?

Joel Feinberg, “Psychological Egoism”

Colin Camerer and Richard Thaler, “Anomalies: Ultimatums, Dictators, and Manners”

September 7: Is morality entirely relative to prevailing cultural opinion?

James Rachels, “The Challenge of Cultural Relativism”

Andrew Kramer, “IKEA Tries to Build Public Case Against Russian Corruption”

Unit 2: Corporate Social Responsibility

September 12: The shareholder theory of corporate responsibility

Milton Friedman, “The Social Responsibility of Business is to Increase its Profits”

Ethan Baron, “Are MBAs to blame for VW and other business ethics fiascos?”

September 14: Problems for shareholder theory

Lynn A. Stout, “The Problem of Corporate Purpose”

September 19: Stakeholder theory

R. Edward Freeman, “Managing for Stakeholders” (study.net)

September 21: Social contract theory

Thomas Donaldson, "Constructing a Social Contract for Business"

Unit 3: Lying, Deception, and Moral Theory

September 26: Hard cases of deception; the utilitarian approach

David Paul Lauffer et al., "Deception" (study.net)

Jeremy Bentham, excerpt from *Principles of Morals and Legislation*

John Stuart Mill, excerpt from *Utilitarianism*

September 28: Utilitarianism, continued

Peter Singer, "Famine, Affluence, and Morality"

October 3: Another approach to hard cases: Kantianism

David Velleman, "A Brief Introduction to Kantian Ethics"

FALL BREAK

October 10: Kantianism, lying, and deception

Charles Fried, excerpt from *Right and Wrong*

October 12: Kantianism and financial risk

Tobey Scharding, "Imprudence and Immorality: A Kantian Approach to the Ethics of Financial Risk"

Unit 4: Exploitation

October 17: A political defense of sweatshop labor

Matt Zwolinski, "Sweatshops, Choice, and Exploitation"

October 19: Moral criticisms of sweatshop labor

Chris Meyers, "Wrongful Beneficence: Exploitation and Third World Sweatshops"

October 24: Exploitation in financial contexts

Gretchen Morgenson, "Inside the Countrywide Lending Spree"

Williams v. Walker-Thomas Furniture Co.

Unit 5: Property and the Moral Duty to Obey the Law

October 26: Natural resources and “natural” property rights

John Locke, “Of Property” (*Second Treatise of Government*, Chapter V)
The Globe and Mail, “Barrick's Tanzanian project tests ethical mining policies”

October 31: Moral reasons to follow the law

“Uber faces \$300,000 Fine, Court Case from Philadelphia Regulators”
John Rawls, “Legal Obligation and the Duty of Fair Play.”

November 2: Responding to controversial laws

“Google in China” (study.net)

Unit 6: Discrimination

November 7: Disparate treatment and disparate impact

Sophia Moreau, “What is Discrimination?”

November 9: Discrimination as an expressive wrong

Deborah Hellman, Chapter 1 of *What Makes Discrimination Wrong*
Kenji Yoshino, “The Pressure to Cover”

November 14: Case study on accommodation

Katherine Breward, “Disability Accommodations and Promotions at Bunco”

Unit 7: Responsibility for the Environment

November 16: An argument against corporate environmental responsibility

Norman Bowie, “Morality, Money, and Motor Cars”

November 21: An argument for corporate environmental responsibility

Arnold and Bustos, “Business, Ethics, and Global Climate Change”

THANKSGIVING

Unit 8: Meaningful Work

(Note: The readings by Aristotle and Marx are challenging. I encourage you to do the “Questions on the Reading” assignments for these readings.)

November 28: What is a good life?

Aristotle, *Nicomachean Ethics*, I.i, I.ii, I.v, I.vii

November 30: Can everyone have meaningful work?

Aristotle, *Nicomachean Ethics* X.vii, X.viii

December 5: Work to live or live to work?

Karl Marx, “Alienated Labor”

December 7: Extreme Jobs

Sylvia Ann Hewlett and Carolyn Buck Luce, “Extreme Jobs” (study.net)