

**LGST 100: Ethics and Social Responsibility**  
The Wharton School, University of Pennsylvania  
Spring Semester 2020

Professor Brian Berkey

**E-mail:** [bberkey@wharton.upenn.edu](mailto:bberkey@wharton.upenn.edu)

**Office:** 664 Huntsman Hall

**Office Hours:** Thursdays 3:30-4:30, and by appointment

### **Course Description**

This course is an introduction to business ethics. It also serves as an introduction to ethical reasoning, and to moral and political philosophy more generally. We'll aim to assess a range of competing views about the obligations of businesses and the individuals who run or work for them. Questions that we'll consider include: Do businesses have any obligations besides making money for shareholders? If so, what are they, and what principles might explain them? What makes a distribution of income and wealth just? Are CEOs paid too much? When, if ever, is it acceptable to deceive an adversary in business negotiations? Is it permissible for multinational corporations to operate "sweatshops" in poor countries? Does advertising wrongfully undermine the autonomy of consumers? What are the environmental responsibilities of businesses?

The main aims of the course are: (1) to introduce students to the methods of analysis of moral and political philosophy, and business ethics in particular; (2) to enhance students' critical reasoning skills, particularly as applied to ethical issues; (3) to improve students' ability to engage productively in discussions of difficult and controversial moral questions; (4) to improve students' ability to write effectively about complex issues, including ethical issues.

The course's assignments are structured with these goals in mind. There will be no exams, no pop quizzes, and I won't cold call for the purpose of checking up on whether students have read. Instead, I'll operate on the assumption that students have read and are prepared to discuss the material.

### **Course Requirements**

Class Participation: 20%

- Robust class discussions are essential to the success of the course. You'll be expected to come to class prepared to discuss the reading. This portion of your grade will be determined primarily by the quality rather than the quantity of your participation, although participating regularly is expected.

Discussion Forum: 10%

- You will be required to contribute to discussion forums that will be set up on Canvas 10 times over the course of the semester. The forums provide an opportunity to extend discussion and debate beyond what we'll have time for in class. Each course topic will have a forum, which will be opened shortly before the first reading on the topic is due. This portion of your grade will be determined primarily by the quality of your contributions.

Paper #1 (1400-1600 words): 25% (**due March 2<sup>nd</sup>**)

Paper #2 (2300-2700 words): 45% (**due May 4<sup>th</sup>**)

### **Readings**

- *Note:* In addition to the reading on this syllabus, I will sometimes add recent news articles that discuss real world cases in which ethical issues in business are raised. These articles may be distributed either prior to class or in class.

### **I. Business Ethics: Why and What?**

Jan. 15<sup>th</sup>: Introduction (no reading)

Jan. 22<sup>nd</sup>: Amartya Sen, “Does Business Ethics Make Economic Sense?”  
Jeffrey Moriarty, “Business Ethics: An Overview” (Sections 1-3)

### **II. Methodology in Ethics: Cases, Intuitions, Principles, and Applications**

Jan. 27<sup>th</sup>: Judith Jarvis Thomson, “The Trolley Problem”  
Peter Unger, *Living High and Letting Die* (Chapter 1, Sections 1-3; Chapter 4, Sections 1-5)

Jan. 29<sup>th</sup>: Patrick Lin, “Why Ethics Matters for Autonomous Cars”

### **III. Duties of Aid**

Feb. 3<sup>rd</sup>: Peter Singer, “Famine, Affluence, and Morality”  
Kwame Anthony Appiah, “Kindness to Strangers”

Feb. 5<sup>th</sup>: Thomas Dunfee, “Do Firms With Unique Competencies for Rescuing Victims of Human Catastrophes Have Special Obligations? Corporate Responsibility and the AIDS Catastrophe in Sub-Saharan Africa”

### **IV. Theoretical Approaches in Business Ethics**

Feb. 10<sup>th</sup>: Milton Friedman, “The Social Responsibility of Business is to Increase its Profits”  
R. Edward Freeman, “A Stakeholder Theory of the Modern Corporation”

Feb. 12<sup>th</sup>: Thomas Donaldson, “Constructing a Social Contract for Business”

Feb. 17<sup>th</sup>: Joseph Heath, “Business Ethics Without Stakeholders”

Feb. 19<sup>th</sup>: David Rodin, “The Ownership Model of Business Ethics”

## **V. Distributive Justice**

Feb. 24<sup>th</sup>: Robert Nozick, “Distributive Justice” (Section I)

Feb. 26<sup>th</sup>: John Rawls, *A Theory of Justice* (Sections 1-4, 10-13, 17)

## **VI. Political and Economic Ideals: Capitalism vs. Socialism**

March 2<sup>nd</sup>: G.A. Cohen, *Why Not Socialism?*

March 4<sup>th</sup>: Jason Brennan, *Why Not Capitalism?* (pp. 17-36, 47-65, 70-72, 78-87, 94-99)

## **VII. Bluffing and Deception**

March 16<sup>th</sup>: Albert Carr, “Is Business Bluffing Ethical?”  
Thomas Carson, “Second Thoughts About Bluffing”

March 18<sup>th</sup>: Alan Strudler, “Deception Unraveled”

## **VIII. Executive Compensation**

March 23<sup>rd</sup>: Jeffrey Moriarty, “Do CEOs Get Paid Too Much?”

March 25<sup>th</sup>: Jeffrey Moriarty, “How Much Compensation Can CEOs Permissibly Accept?”  
Robert Kolb, “Must CEOs Be Saints? Contra Moriarty on CEO Abstemiousness”  
Jeffrey Moriarty, “The Sky’s the Limit: A Reply to Kolb”

## **IX. Sweatshops and Exploitation**

March 30<sup>th</sup>: Matt Zwolinski, “Sweatshops, Choice, and Exploitation”

April 1<sup>st</sup>: Chris Meyers, “Wrongful Beneficence: Exploitation and Third World  
Sweatshops”

## **X. Discrimination and Sexual Harassment**

April 6<sup>th</sup>: Marianne Bertrand and Sendhil Mullainathan, “Are Greg and Emily More  
Employable than Lakisha and Jamal? A Field Experiment on Labor Market  
Discrimination,” (Introduction, Sections IIIA, IVA, V)  
Sophia Moreau, “What is Discrimination?”

April 8<sup>th</sup>: Elizabeth Anderson, “Recent Thinking About Sexual Harassment: A Review  
Essay”

## **XI. Advertising**

April 13<sup>th</sup>: Robert Arrington, “Advertising and Behavior Control”  
Roger Crisp, “Persuasive Advertising, Autonomy, and the Creation of Desire”

## **XII. Climate Change and the Environment**

April 15<sup>th</sup>: Chrisoula Andreou, “Environmental Damage and the Puzzle of the Self-Torturer”  
Stephen Gardiner, “A Perfect Moral Storm: Climate Change, Intergenerational Ethics and the Problem of Moral Corruption”

April 20<sup>th</sup>: Norman Bowie, “Money, Morality, and Motor Cars”  
Denis Arnold and Keith Bustos, “Business, Ethics, and Global Climate Change”  
(skip section on Global Climate Change, pp. 104-6)

## **XIII. Work, Ethics, and Living a Good Life**

April 22<sup>nd</sup>: Elizabeth Anderson, “Private Government”

April 27<sup>th</sup>: Karl Marx, “Alienated Labor”

April 29<sup>th</sup>: Peter Singer, *The Most Good You Can Do* (Chapters 1 and 4)

## **Course Policies and Information**

*1. Class Discussion:* Philosophical inquiry is a cooperative enterprise. We can best arrive at well-justified views by working together to think through the arguments that might be made for different, competing views. The ethical issues that we’ll discuss are difficult and complex, and there will be disagreements. That’s a good thing, since it will help all of us think more carefully about the range of plausible views about the complex questions that we’ll be grappling with. For discussion to be productive in this way, it’s essential that we all participate in a spirit of mutual respect. Respecting others is consistent with vigorously challenging their views and the arguments that they offer for them. What matters is that criticisms are presented in a way that interprets the arguments being challenged charitably, and that properly appreciates the status of those being challenged as cooperators in a joint intellectual endeavor.

*2. No Bullshit:* You’ll need to do the readings in order to participate productively in class discussions. Philosophy is often challenging to read, and you may need to read things more than once in order to understand them. And sometimes there will be things that you don’t understand even after multiple readings. That’s OK – part of the purpose of discussion is to clarify issues that may be unclear in the readings, and I’ll always be happy to answer questions about aspects of the reading that you found difficult. But if you haven’t done the reading, attempting to participate will be counterproductive, and I’ll probably be able to tell.

*3. Laptops/Tablets/etc.:* Electronic devices are not permitted in class. Your attention should be focused on the discussion, and devices offer too many distractions. Remember that there are no exams in the course, so there’s no need to take extensive notes. It’s much more important to be engaged in the discussion than to take down everything that I say. That said, I recommend having a pen and paper so that you can write down anything that strikes you as particularly important.

4. *Don't Plagiarize!:* Punishment for plagiarism and other forms of academic misconduct will be severe. Any time you draw on someone else's work, you need to cite it, even if you're not quoting directly.

5. *Late Papers and Extensions:* Late papers will be penalized 1/3 grade for each day late (so an A- paper turned in one day late would get a B+), with weekends counting for one day. Extensions will be granted for medical or other emergencies, and in some cases for other *serious* conflicts. If you need to request an extension, you should do so as early as possible.

6. *Office Hours:* I strongly encourage you to come to office hours. Discussing philosophical issues one-on-one or in a small group setting is an extremely valuable supplement to in-class discussion, and should help you to write better papers. You don't need to have specific questions prepared in order to come, and you're welcome to come in a group. If you can't make it during scheduled office hour times, I'll be happy to arrange to meet at another time.

7. *Lunches:* I also encourage you to sign up on Canvas for a lunch sponsored by the Wharton Meals Program. Lunches are free for students.

8. *Grading:* I don't grade on a curve. If everyone does A-quality work, then everyone gets an A. Course grades will be calculated using a 4-point scale. For example, an A for participation would count for  $4 \cdot .2 = .8$ ; an A- for discussion forum postings would count for  $3.7 \cdot .1 = .37$ ; a B+ for the first paper would count for  $3.3 \cdot .25 = .825$ ; and an A- for the second paper would count for  $3.7 \cdot .45 = 1.665$ . The total for those grades would be 3.66 (A-). Here are the ranges for each letter grade in the A-C range:

$3.85 - 4 =$	A	$3.15 - 3.5 =$	B+	$2.5 - 2.85 =$	B-	$1.85 - 2.15 =$	C
$3.5 - 3.85 =$	A-	$2.85 - 3.15 =$	B	$2.15 - 2.5 =$	C+	$1.5 - 1.85 =$	C-

*Note:* I may give a grade of A+ for *truly exceptional performance*. This requires more than getting A's for all components of the course grade. Primarily, it will require writing papers that are of significantly higher quality than even typical A papers in an undergraduate course. This is extremely difficult to do, so it's very unusual for an A+ to be awarded.