

LGST 220/820: International Business Ethics

The Wharton School

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Professor Brian Berkey

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Office Hours: Tuesdays 3:00-4:00, and by appointment

Course Description

This course covers a range of ethical issues and questions of justice related to the practice of business in a global context. Questions that will be addressed include: When, if ever, is it morally acceptable to engage in bribery in the practice of international business? What are the human rights-related obligations of multinational corporations? Are corporations obligated to aid the victims of global crises? What does global labor justice require, and is it compatible with the operation of “sweatshops” by multinational companies? What should international intellectual property law with respect to pharmaceuticals look like? What are the requirements of justice in international trade? Is it permissible for developing countries to restrict emigration in order to mitigate “brain drain?” Should there be an international financial transactions tax? Do countries and corporations with high historical emissions have special obligations to address the threat of climate change?

The main aims of the course are: (1) to expose students to debates about a range of issues in international business ethics; (2) to increase students’ familiarity with the methods of analysis of moral and political philosophy, and business ethics in particular; (3) to enhance students’ critical reasoning skills, particularly as applied to ethical issues; (4) to improve students’ ability to engage productively in discussions of difficult and controversial moral questions; (5) 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 February 26th**)

Paper #2 (2300-2700 words): 45% (**due April 30th**)

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. Introduction

Jan. 10th: No Reading

Jan. 17th: Richard De George, "International Business Ethics"
Patricia Werhane, "Globalization and its Challenges for Business and Business Ethics in the Twenty-First Century"

II. Bribery

Jan. 22nd: Thomas Carson, "Bribery, Extortion, and the 'Foreign Corrupt Practices Act'"

Jan. 24nd: Michael Philips, "Bribery"
Thomas Carson, "Bribery and Implicit Agreements: A Reply to Philips"
Michael Philips, "Bribery, Consent, and Prima Facie Duty: A Rejoinder to Carson"

III. Human Rights

Jan. 29th: Guiding Principles on Business and Human Rights: Implementing the United Nations' 'Protect, Respect, and Remedy' Framework
Rashmi Venkatesan, "The UN Framework on Business and Human Rights: A Workers' Rights Critique"

Jan. 31st: Florian Wettstein, "Silence as Complicity: Elements of a Corporate Duty to Speak Out against the Violation of Human Rights"

Feb. 5th: John Douglas Bishop, "The Limits of Corporate Human Rights Obligations and the Rights of For-Profit Corporations"

IV. Aid

Feb. 9th: Peter Unger, *Living High and Letting Die*, Ch. 1 (sections 1-3), Ch. 2

- Feb. 12th: Kwame Anthony Appiah, “Kindness to Strangers”
Frances Kamm, “Rescue and Harm” (sections I-II)
- Feb. 14th: 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”
- Feb. 19th: Manuel Velasquez, “International Business, Morality, and the Common Good”
Nien-hê Hsieh, “Voluntary Codes of Conduct for Multinational Corporations: Coordinating Duties of Rescue and Justice”

V. Sweatshops and Global Labor Justice

- Feb. 21st: Miriam Ronzoni, “Global Labour Injustice: A Critical Overview”
S. Prakash Sethi, “Corporate Codes of Conduct and the Success of Globalization”
- Feb. 26th: Iris Marion Young, “Responsibility and Global Labor Justice”
- Feb. 28th: Matt Zwolinski, “Sweatshops, Choice, and Exploitation”
Chris Meyers, “Wrongful Beneficence: Exploitation and Third World Sweatshops”

VI. Intellectual Property and Access to Pharmaceuticals

- Mar. 12th: Jorn Sonderholm, “Ethical Issues Surrounding Intellectual Property Rights”
Ian Maitland, “Priceless Goods: How Should Life-Saving Drugs be Priced?”
- Mar. 14th: Richard De George, “Intellectual Property and Pharmaceutical Drugs: An Ethical Analysis”
Seana Shiffrin, “The Incentives Argument for Intellectual Property Protection”

VII. Justice and International Trade

- Mar. 19th: Helena De Bres, “Justice and International Trade”
Aaron James, “A Theory of Fairness in Trade”
- Mar. 21st: Kristi Olson, “Autarky as a Moral Baseline”
- Mar. 26th: Matthias Risse, “Fairness in Trade I: Obligations from Trading and the Pauper-Labor Argument”
- Mar. 28th: Leif Wenar, “Property Rights and the Resource Curse”

VIII. Brain Drain

- Apr. 2nd: Gillian Brock and Michael Blake, *Debating Brain Drain* (Introduction and Chs. 1-4)

Apr. 4th: Gillian Brock and Michael Blake, *Debating Brain Drain* (Chs. 7-8)

IX. Global Justice and Taxation

Apr. 9th: Gillian Brock, “Taxation and Global Justice: Closing the Gap Between Theory and Practice”

Apr. 11th: Gabriel Wollner, “Justice in Finance: The Normative Case for an International Financial Transaction Tax”

X. Climate Change and the Environment

Apr. 16th: Robert Goodin, “Selling Environmental Indulgences”
Simon Caney, “Markets, Morality, and Climate Change: What, if Anything, is Wrong with Emissions Trading?”

Apr. 18th: Chukwumerije Okereke, “Moral Foundations for Global Environmental and Climate Justice”
Darrel Moellendorf, *The Moral Challenge of Dangerous Climate Change*, Ch. 1

Apr. 23rd: Nico Cornell and Sarah Light, “Wrongful Benefit and Arctic Drilling” (sections I, III-IV)
Brian Berkey, “Benefitting from Unjust Acts and Benefitting from Injustice: Historical Emissions and the Beneficiary Pays Principle”

Apr. 25th: Catriona McKinnon, “Should We Tolerate Climate Change Denial?”
Denis Arnold, “Corporate Responsibility, Democracy, and Climate Change”

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 $4 \times .2 = .8$; an A- for discussion forum postings would count for $3.7 \times .1 = .37$; a B+ for the first paper would count for $3.3 \times .25 = .825$; and an A- for the second paper would count for $3.7 \times .45 = 1.665$. 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.