

# Phil 160: Business Ethics

Fall 2019

Professor Kenneth Silver, [kmsilver@usc.edu](mailto:kmsilver@usc.edu)

Class # 63503D TTH 2:00-3:20 pm THH 118

We interact with businesses constantly in our daily lives, but we rarely think about how we *ought* to interact with them. First, we might wonder: what are businesses, and what are they for? Once we have some idea of the different ways we could answer these questions, then we can move on to consider the norms on the interaction between businesses and various groups. We regularly talk as if corporations have obligations to shareholders, employees, consumers, and the public at large. However, we should also consider whether the members of these groups have obligations of their own. In this course, we will explore the issues that arise between businesses and various stakeholders, and we will conclude by considering whether a corporation itself is distinctly responsible for its actions.

## Units

Unit 1: Defining Business and its Objective

Unit 2: Business and Shareholders

Unit 3: Business and Workers

Unit 4: Business and Consumers

Unit 5: Business and Government

Unit 6: Business and the World

Unit 7: Business and Blame

## Course objectives

- 1) Engage with some of the leading questions in business ethics.
- 2) Develop analytical skills through critical reading and clear writing.
- 3) Cultivate speaking and listening skills through in-class discussion.

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## Books needed for the course

None. We will primarily be reading articles that can be obtained from the university's online catalogue or else from the course reader.

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## Schedule of readings and lectures

Make sure to do all of the readings listed for a day before that class.

### Week 1

Tues. Aug. 23<sup>rd</sup>

**Reading:** No reading

Lecture: Introduction to philosophical methodology, ethics, and business ethics

Thurs. Aug. 25<sup>th</sup>

**Reading:** No reading, but **View:** “Beginner’s Guide to Kant’s Moral Philosophy” by *Philosophy Tube* (<https://www.youtube.com/watch?v=mQ2fvTvtzBM>) and “Ethics: Consequentialism” by *Wireless Philosophy* ([https://www.youtube.com/watch?v=hACdhD\\_kes8&list=PLtKNX4SfKpzWO2Yjvjkp-hMS0gTI948pIS&index=1](https://www.youtube.com/watch?v=hACdhD_kes8&list=PLtKNX4SfKpzWO2Yjvjkp-hMS0gTI948pIS&index=1))

Lecture: Significant moral views often referenced in business ethics

### Week 2

Tues. Aug. 30<sup>th</sup>

**Reading:** Kaler, J. (2003) “What is a Business?” *Philosophy and Management*, 3(2):57-65.

Lecture: What is a business?

Thurs. Sept. 1<sup>st</sup>

**Reading:** Sollars, G. (2002) “The Corporation as Actual Agreement,” *Business Ethics Quarterly*, 12: 351-369.

Lecture: Different conceptions of business

### Week 3

Tues. Sept. 6<sup>th</sup>

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

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

Lecture: Is the aim of a business to maximize shareholder value?

Thurs. Sept. 8<sup>th</sup>

**Reading:** Sections 1 and 2 of Moriarty, J. (2008) “Business Ethics: An Overview” *Philosophy Compass*, 3(5): 956-972.

Lecture: Stakeholder Theory

#### Week 4

Tues. Sept. 13<sup>th</sup>

**Reading:** Turilli, M. & Floridi, L. (2009) "The Ethics of Information Transparency," *Ethics and Information Technology*, 11(2): 105-112. And  
Espinoza, P. (1999) "Business Ethics and Accounting Information. An Analysis of the Spanish Code of Best Practice," *Journal of Business Ethics*, 22(3): 249-259.

Lecture: How much and what kind of information do investors have a right to know?

Thurs. Sept. 15<sup>th</sup>

**Reading:** Irvine, W. (1987) "The Ethics of Investing," *Journal of Business Ethics*, 6(3): 233-242.  
Larmer, R. (1997) "The Ethics of Investing: A Reply to William Irvine," *Journal of Business Ethics*, 16: 397-400.

Lecture: Why should you not invest in immoral companies?

#### Week 5

Tues. Sept. 20<sup>th</sup>

**Reading:** Wurgler, J. (2010) "On the Economic Consequences of Index-Linked Investing," *NBER Working Paper No.16376*.

Lecture: Ethical problems with different trading methodologies (e.g. growth investing, indexing, algorithmic trading, and high-frequency trading)

Thurs. Sept. 22<sup>nd</sup>

**Reading:** Arnold, D. & Bowie, N. (2003) "Sweatshops and Respect for Persons," *Business Ethics Quarterly*, 13(2): 221-242. And  
Maitland, I. (1989) "Rights in the Workplace: A Nozickian Argument," *Journal of Business Ethics*, 8: 951-954.

Lecture: Employee rights

#### Week 6

Tues. Sept. 27<sup>th</sup>

**Reading:** Wilkinson, T. M. (2004) "The Ethics and Economics of the Minimum Wage," *Economics and Philosophy*, 20(2): 351-374.

Lecture: Worker compensation and the minimum wage

Thurs. Sept. 29<sup>th</sup>

**Reading:** Chapter 3 of Vanderkerckhove, W. (2006) *Whistleblowing and Organizational Social Responsibility: A Global Assessment*. Ashgate Publishing. And

Chen, C. & Lai, C. (2014) "To Blow or Not to Blow the Whistle: the Effects of Potential Harm, Social Pressure and Organizational Commitment on Whistleblowing Intention and Behavior," *Business Ethics: A European Review*, 23(3):327-342.

Lecture: What are the obligations that employees have towards their employer?

### Week 7

Tues. Oct. 4<sup>th</sup>

**Reading:** Xiong, L., King, C., Piehler, R. (2013) "That's Not My Job': Exploring the Employee Perspective in the Development of Brand Ambassadors," *International Journal of Hospitality and Management*, 35: 348-359.

Lecture: Must all employees act as brand ambassador? Is it ethical to fire them for their conduct outside of work?

Thurs. Oct. 6<sup>th</sup>

**Reading:** Jackson, D. (2000) "Labeling Products of Biotechnology: Towards Communication and Consent," *Journal of Agricultural and Environmental Ethics*, 12(3): 319-330.

Lecture: Product labeling – What is owed to consumers, and what could be achieved?

### Week 8

Tues. Oct. 11<sup>th</sup>

**Reading:** Elegido, J. (2011) "The Ethics of Price Discrimination," *Business Ethics Quarterly*, 21(4): 633-660.

Lecture: Do businesses have an obligation to price their products 'fairly'?

Thurs. Oct. 13<sup>th</sup>

**Viewing:** Watch YouTube introduction to arbitrage: "Arbitrage Basics: Finance and Capital Markets," by Khan Academy. DOI: < <https://www.youtube.com/watch?v=AuCH7fHZsZ4>>.

Lecture: Once I buy a product, are there limits to what I can do with it? Arbitrage and other uses

### Week 9

Tues. Oct. 18<sup>th</sup>

**Reading:** Radzik, L. (2017) "Boycotting and the Social Enforcement of Justice," *Social Philosophy and Policy*, 34(1): 102-122.

Lecture: The ethics of boycotting: When should consumers, and what are we doing?

Thurs. Oct. 20<sup>th</sup>

**Reading:** Hart, O., Shleifer, A., Vishny, R. (1997) "The Proper Scope of Government: Theory and an Application to Prisons," *The Quarterly Journal of Economics*, 112(4): 1127-1161. (skim sections II-III)  
And

Pattison, J. (2008) "Just War Theory and the Privatization of Military Force," *Ethics and International Affairs*, 22(2): 143-162.

Lecture: What should be done by business, and what shouldn't?

### Week 10

Tues. Oct. 25<sup>th</sup>

**Reading:** Marens, R. (2013) "Calling in a Debt: Government's Role in Creating the Capacity for Explicit Corporate Social Responsibility," *Business and Society Review*, 118(2): 143-169.

Lecture: To what extent and how should the government regulate business?

Thurs. Oct. 27<sup>th</sup>

**Reading:** Moriarty, J. (2005) "On the Relevance of Political Philosophy to Business Ethics," *Business Ethics Quarterly*, 15(3): 453-471.

Lecture: To what extent should business governance be informed by political philosophy?

### Week 11

Tues. Nov. 1<sup>st</sup>

**Reading:** Silver, D. (2015) "Business Ethics After Citizens United: A Contractualist Analysis," *Journal of Business Ethics*, 127(2): 385-397.

Lecture: Should business have a say in policy?

Thurs. Nov. 3<sup>rd</sup>

**Reading:** Friedman, M. (1970) "The Social Responsibility of Business Is to Increase Its Profits," *New York Times Magazine* (September 13), 122-125.

Freeman, R. & Liedtka, J. (1991) "Corporate Social Responsibility: A Critical Approach," *Business Horizons*, 34(4):92-98.

Kramer, M. & Porter, M. (2006) "Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review*, 84(12): starts on 78.

Lecture: The social responsibilities of businesses, Part I

### Week 12

Tues. Nov. 8<sup>th</sup>

**Reading:** (2008) Melé, D. “Corporate Responsibility Theories” in Crane, A. & McWilliams, A. (ed.) *The Oxford Handbook of Corporate Social Responsibility*, chapter 3. Oxford University Press. pg. 47-82.

Lecture: The social responsibilities of businesses, Part II

Thurs. Nov. 10<sup>th</sup>

**Reading:** DesJardins, J. (2005) “Business and Environmental Sustainability,” *Business & Professional Ethics Journal*, 24(1/2): 35-59.

Lecture: How can businesses be sustainable, and ought they be?

### Week 13

Tues. Nov. 15<sup>th</sup>

**Reading:** Weidman, S., Welsh, C., Bonino, L. (1994) “Accounting for Environmental Remediation Costs,” *Business and Professional Ethics Journal*, 13(1): 147-163.

Lecture: Whether and how to factor in costs externalized

Thurs. Nov. 17<sup>th</sup>

**Reading:** French, P. (1979) “The Corporation as a Moral Person,” *American Philosophical Quarterly*, 16: 207-215.

Lecture: Can we blame corporations? Part I

### Week 14

Tues. Nov. 22<sup>nd</sup>

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

Lecture: Can we blame corporations? Part II

Thurs. Nov. 24<sup>th</sup> – Thanksgiving

### Week 15

Tues. Nov. 29<sup>th</sup>

**Reading:** No reading

Lecture: Can corporations blame us?

Thurs. Dec. 1<sup>st</sup>

**Reading:** No reading.

Lecture: Review for exam

**Final Exam Wednesday December 7<sup>th</sup> 2pm-4pm in THH 118**

### **Course requirements**

1. Regular attendance and participation at lectures. This counts for 15% of the course grade. Note: if there are more than three unexcused absences from discussion sections, the grade of 0 will be assigned for attendance and participation.
2. Unannounced in-class 10 minute quizzes on the reading assigned for that class session (beginning of class) or on material covered in lecture (end of class). I will set six such quizzes during the term, and the average of the best five of the six grades will count for 15% of the course grade.
3. Three or four short 4-5 page essays; the three papers earning the highest grade each counts for 15% of the course grade. You must submit at least three of these essays; submission of a fourth essay is optional.
4. An in-class essay final examination. The final exam counts for 25% of the course grade. Approximately two weeks before the final exam I will distribute a list of five or six questions for the final exam; on the day of the exam I will designate three of the questions from the list as candidates for answering, and you will choose two questions from this list of three to answer.

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### **Course policies**

#### **Students with disabilities**

Any student who has registered with the office of Disability Services and Programs (DSP) and who has been certified by DSP as needing specific accommodations will gladly be afforded those accommodations. Please meet with the instructor as early as possible in the semester to discuss the best ways of providing these accommodations. I am very glad to work with you to tailor the course requirements to your specific needs subject to considerations of general fairness for all students in the class.

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#### **Academic integrity**

Be sure to familiarize yourself with Section 11 of *SCampus*

(<http://web-app.usc.edu/scampus/1100-behavior-violating-university-standards-and-appropriate-sanctions/>). If you are unsure about what constitutes a violation of academic integrity, please see the

me about it. Any violation of academic integrity standards will be reported to Student Judicial Affairs, and the recommended sanctions will be applied. As regards papers or other written work prepared outside of class, you need to submit full bibliographic information and proper citation of the use of any sources in the preparation of the paper.

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### **Paper submission, deadlines and format**

Please submit your papers through Blackboard. Please format your papers as follows: 12 point font, double-spaced, at least one inch margins all around, your name on the top right hand corner of the first page. All electronically submitted papers must have a filename of the format '<yourname> Phil160 paper topic <n>.doc' or where <yourname> is replaced by your name as it appears in the course roster and <n> is replaced by the number of the paper topic you have chosen. Do not include your student ID number or any other possibly sensitive identifying information on your papers or any other correspondence with instructors.

Late papers, if accepted, will have their grade reduced by 1/2 of a grade for each day beyond the due date.

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### **Classroom protocol**

During quizzes or examinations: All books, notes, and screened devices (including laptop computers, tablets, smartphones, and smartwatches) must be stowed away. If you do not have the means to stow these materials out of sight (e.g. in a backpack or other bag, or under a sweater, etc.) you may bring them to the front of the classroom and retrieve them at the end of the writing exercise. Additionally, no earphones may be worn during the period of the writing exercise. Violations of these prohibitions constitute an academic integrity violation.

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### **Communication**

I will strive to respond promptly to your e-mail inquiries, comments, etc. Given the volume of e-mail I receive, it will help us if you will begin the subject line of your messages with 'Business Ethics'. Examples: 'Business Ethics request for a meeting' or 'Business Ethics question'.