

Corporate Responsibility and Ethics

Legal Studies 210-005

Fall 2006

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Office Hours: Thursday 3-5pm or by appointment

Tuesdays and Thursdays
1:30-3:00 pm

This course offers a multifaceted, philosophical introduction to business ethics. We will begin by asking the “big” questions about economic life. What is the rationale for capitalism? Is it just? Who should make the most money? How should we decide who does the hard work? What role (if any) does deception play in our system? After looking at the big issues, we will look at more concrete questions about the obligations of corporations, managers and employees. Do corporations have any obligations besides making money for their shareholders? Can a manager fire an employee just because he doesn’t like him? Can a multinational that operates in a country where child labor is the norm hire children? Readings will be drawn from moral and political philosophy, business reviews, economics, magazines, and popular literature. Special emphasis will be placed on issues relating to labor and employment.

Group Projects

Early in the semester, we will divide the class into teams of 3-5 students each. Teams will participate in a debate. Each debate will focus on an assigned topic and each team will defend a different view. Teams will prepare a 5 page double-spaced paper describing their position and outlining their case for it. A copy of this paper should be provided to the opposing team at least one week prior to the debate. Each team will make a fifteen-minute argument for their position and a seven-minute rebuttal of the opposing team’s position. This will be followed by questions from the audience. Each team will be graded on the basis of the overall quality of their positive case and their responsiveness to the other team’s arguments. This year we will have mock trial coaches from the University of Pennsylvania law school available to work with each team on developing their arguments and presentations.

Midterm Exam

The midterm exam will be in-class and will have two parts. The first part will consist of short-answer questions that will test your knowledge and understanding of the readings that we covered in the first part of the class. The second part will consist of an essay question that you can prepare beforehand. I will offer you a choice of topics to write on and distribute them a week before the exam. The purpose of the midterm is to ensure that you are keeping up with the readings, that you have understood the material, and to help you start to formulate your own views on the issues we have covered.

Final Exam

The final exam will be take-home. You will be given asked to write a 5-7 page paper and it will be due in my mailbox in the Legal Studies Department by 5pm on December 14th. I will give you several possible topics to choose from and you will have a week and a half to write your papers. The goal of the final is to help you to develop your written communication skills and to learn how to make a tightly reasoned argument on paper. The papers will be graded on the basis of your understanding of the material covered in class, the quality of your writing, and the cogency and insightfulness of your argument.

Grading

20%	Midterm Exam (October 26 th in class)
20%	Group Project
40%	Final Exam (Due December 14 th)
20%	Class Participation

Course Materials

Coursepack

Barbara Ehrenreich, Nickel and Dimed (New York: Henry Holt and Co., 2001).

Note: Schedule subject to minor changes during the semester to reflect class needs

Schedule of Readings

“*” indicates readings on the webcafé

I. Introduction

September 7

No reading

II. Theory

September 12: Utilitarianism

Rachels, “The Utilitarian Approach”

Rachels, “The Debate Over Utilitarianism

Case Study: Rothstein, “Drug Testing in the Workplace”

September 14: Deontology

Kagan, “Deontology”

Kagan, “Thresholds”

Parent, “Privacy, Morality, and the Law” (§§1, 2, and 4)

September 19: Social Justice

Principle of Strict Equality *

Principle of Contribution *

September 21: Social Justice

Rawls, “Distributive Justice” (§§1-4 and 8)

“Labor Pains,” *The Economist* (September 21, 2000) *

“CEOs and their Indian Rope Trick,” *The Economist* (December 9, 2004) *

“US CEO Pay Out-of-Whack Globally,” www.paywatch.org *

September 26: Social Justice

Nozick, “Entitlement Theory”

September 28: Executive Compensation

Rakesh Khurana, *Searching for a Corporate Savior* (pg.1-27) *

Video (in class): “Executive Perks” *The Newshour*, PBS (September 16, 2002)

III. Property and Labor

October 3: The Market

Waldron, “What is Private Property” (§§3, 5, 7 and 9)

Locke, “Of Property”

Alchian and Demsetz, “The Property Rights Paradigm” (pg. 19-22)

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October 5: Intellectual Property

Hettinger, "Justifying Intellectual Property"
Case Study: Velasquez, "Accolade Versus Sega"

October 10: The Division of Labor

Smith, "Of the Division of Labor"
Braverman, "The Degradation of Work in the Twentieth Century"
Case Study: Barbara Ehrenreich, "Selling in Minnesota" in *Nickel and Dimed*

October 12: The Division of Labor

Video (in class): "Loews Miami Beach," *Now Who's Boss*, Discovery Channel (2004)
Walzer, "Hard Work"

IV. Autonomy and Manipulation

October 17: Advertising

Movie (in class): "The Merchants of Cool" *Frontline*, PBS (February 27, 2001)

October 19: Deception

Negotiation Exercise (no reading)

October 26: Midterm

**Midterm Exam in class **

V. Corporations, Managers and Employees

October 31: Corporate Obligations

Friedman, "The Social Responsibility of Business is to Increase its Profits"
Evan and Freeman, "Stakeholder Theory of the Modern Corporation"

November 2: Corporate Obligations

Case Study: "The Dow-Corning Breast Implant Controversy" *

November 7: Terminating Employment

Werhane and Radin, "Employment at Will and Due Process"
Epstein, "In Defense of the Contract at Will"
Case Study: "Peer Review of Grievances at Shamrock-Diamond Corporation"

November 9: Preferential Hiring

Nagel, "A Defense of Affirmative Action"
N. Scott Arnold, "Affirmative Action and the Demands of Justice"
Case Study: "AT&T's Policies on Affirmative Action"

Note: Schedule subject to minor changes during the semester to reflect class needs

November 14: Whistleblowing

Davis, "Some Paradoxes of Whistleblowing"
Case Study: "The Aircraft Brake Scandal"

November 16: Debate

No reading

November 21: Product Liability

Miller, "Products Liability: Must the Buyer Beware?"

VI. The Global Context

November 28: International Business

DeGeorge, "International Business Ethics and Incipient Capitalism"
Donaldson, "Values in Tension: Ethics Away from Home"

November 30: Debate

No reading

December 5: The Environment

Peter Singer, "Equality for animals?"
Robert Solow, "Sustainability: An Economist's Perspective"
Case Study: "Pâte at Iroquois Brands"

December 7: Debate

No reading

**** FINAL PAPERS DUE BY DECEMBER 14 BY 5:00 PM ****