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Issue 1. The Classic Dialogue: Is Capitalism the Best Route to Human Happiness? 2

YES: Adam Smith, from *An Inquiry Into the Nature and Causes of the Wealth of Nations*, vols. 1 and 2 (1869) 4

NO: Karl Marx and Friedrich Engels, from *The Communist Manifesto* (1848) 12

Free-market economist Adam Smith (1723–1790) states that if self-interested people are left alone to seek their own economic advantage, the result will be greater advantage for all. German philosopher Karl Marx (1818–1883) and German sociologist Friedrich Engels (1820–1895) argue that if people are left to their own self-interested devices, those who own the means of production will rapidly reduce everyone else to virtual slaves.

Issue 2. Can Individual Virtue Survive Corporate Pressure? 22

YES: Robert C. Solomon, from “Victims of Circumstances? A Defense of Virtue Ethics in Business,” *Business Ethics Quarterly* (January 2003) 24

NO: Gilbert Harman, from “No Character or Personality,” *Business Ethics Quarterly* (January 2003) 38

Joining the long-standing debate on the possibility of free choice and moral agency in the business world, Quincy Lee Centennial Professor of Business and Philosophy at the University of Texas in Austin Robert C. Solomon argues that whatever the structures, the individual's choice is free, and therefore his character or virtue is of the utmost importance in creating a good moral tone in the life of a business. Stuart Professor of Philosophy at Princeton University Gilbert Harman employs determinist arguments to conclude that no individual can of his own free choice make a difference in a group enterprise.

Issue 3. Can Restructuring a Corporation's Rules Make a Moral Difference? 48

YES: Josef Wieland, from “The Ethics of Governance,” *Business Ethics Quarterly* (January 2001) 50

NO: Ian Maitland, from "Distributive Justice in Firms: Do the Rules of Corporate Governance Matter?" *Business Ethics Quarterly* (January 2001) 63

Josef Wieland, director of the German Business Ethics Network's Centre for Business Ethics, concludes that one can only be a moral person at work when the workplace, too, is moral. Ian Maitland, professor of business, government, and society at the University of Minnesota's Carlson School of Management, counters that changing the rules will only succeed in impairing the corporation's efficiency.

Issue 4. Should Corporations Adopt Policies of Corporate Social Responsibility? 78

YES: Robert D. Hay and Edmund R. Gray, from "Introduction to Social Responsibility," in David Keller, man. ed., *Ethics and Values: Basic Readings in Theory and Practice* (Pearson Custom Publishing, 2002) 80

NO: Milton Friedman, from "The Social Responsibility of Business Is to Increase Its Profits," in Thomas Donaldson and Patricia H. Werhane, eds., *Ethical Issues in Business: A Philosophical Approach*, 4th ed. (Prentice Hall, 1993) 89

Robert D. Hay, professor of management at the University of Arkansas, and Edmund R. Gray, professor and chair of the Department of Management at Loyola Marymount University, argue that in the long run, businesses will only be successful if they are directed to the needs of the society. If they choose to ignore that advice, government regulation is likely to fill the gap between business operations and the welfare of the people the government is sworn to protect. In this classic defense of *laissez-faire*, Paul Snowden Russell Distinguished Service Professor Emeritus of Economics at the University of Chicago Milton Friedman states that businesses have neither the right, in law or morals, nor the ability to meddle with "social responsibility." Customers, employees, and the general public, he concludes, are best served when the company simply does its job with maximum efficiency.

PART 2 CURRENT ISSUES IN BUSINESS 97

Issue 5. Are Pharmaceutical Firms Obligated to Cut Their Prices for Poor AIDS Victims? 98

YES: Debra Watson, from "U.S. Pharmaceutical Companies Reap Huge Profits From AIDS Drugs," World Socialist Web Site, http://www.wsws.org/articles/1999/jun1999/aids-j05_prn.shtml (June 5, 1999) 100

NO: Robert Goldberg, from "Wrong Prescription: Don't Rush to Embrace the Bush AIDS Plan," *National Review Online*, <http://www.nationalreview.com/comment/comment-rgoldberg020703.asp> (February 7, 2003) 104

Writer Debra Watson argues that the greed of AIDS profiteers is killing impoverished people with AIDS all over the world—including in the United States. She concludes that only drastic price reductions will make necessary drugs available to the victims. Senior fellow at the Manhattan Institute

Robert Goldberg doubts that reducing pharmaceutical prices will make much of a difference to AIDS sufferers, since the education and health infrastructures remain inadequate to reach and teach the victims.

Issue 6. Should Casino Gambling Be Prohibited? 108

YES: William A. Galston and David Wasserman, from "Gambling Away Our Moral Capital," *The Public Interest* (Spring 1996) 110

NO: William R. Eadington, from "The Proliferation of Commercial Gaming in America," *The Sovereign Citizen* (Fall 1994) 116

Political theorist William A. Galston and research scholar David Wasserman argue that there are significant moral objections to widespread casino gambling. Professor of economics William R. Eadington counters that gambling is a normal extension of commercial activity.

Issue 7. Should Prudent Managers Avoid Purchasing Derivative Instruments? 126

YES: Frank Partnoy, from *F.I.A.S.C.O.: The Inside Story of a Wall Street Trader* (Penguin Books, 1999) 128

NO: Merton H. Miller, from *Merton H. Miller on Derivatives* (John Wiley & Sons, 1997) 133

Frank Partnoy, former trader and salesman at Morgan Stanley, states that derivative instruments are generally good only for making large commissions for the salesmen who push them on unwary insurance companies and pension funds. Merton H. Miller, a Nobel Prize-winning economist, contends that derivatives allow financial players to hedge their bets more efficiently, and in doing so they make the world a safer place.

Issue 8. Does the Enron Collapse Show That We Need More Regulation of the Energy Industry? 140

YES: Richard Rosen, from "Regulating Power: An Idea Whose Time Is Back," *The American Prospect* (March 25, 2002) 142

NO: Christopher L. Culp and Steve H. Hanke, from "Empire of the Sun: An Economic Interpretation of Enron's Energy Business," *Policy Analysis* (February 20, 2003) 144

Writer Richard Rosen contends that the disastrous collapse of the Enron energy company—accompanied by soaring prices in California, disruptions of the market in the United States and abroad, and accusations of fraud all around—means that America needs more government oversight. Christopher L. Culp, adjunct professor of finance at the Graduate School of Business at the University of Chicago, and Steve H. Hanke, professor of applied economics at the Johns Hopkins University, maintain that it was unwise regulation that caused the Enron problem in the first place. They conclude that only deregulation will let the market clear up the problems with the industry.

PART 3 HUMAN RESOURCES: THE CORPORATION AND THE EMPLOYEE 171

Issue 9. Does Blowing the Whistle Violate Company Loyalty? 172

YES: Sissela Bok, from "Whistleblowing and Professional Responsibility," *New York University Education Quarterly* (Summer 1980) 174

NO: Robert A. Larmer, from "Whistleblowing and Employee Loyalty," *Journal of Business Ethics* (vol. 11, 1992) 182

Philosopher Sissela Bok asserts that blowing the whistle involves a breach of loyalty to the employer. Philosopher Robert A. Larmer argues that attempting to stop unethical company activities exemplifies company loyalty.

Issue 10. Is Controlling Drug Abuse More Important Than Protecting Privacy? 190

YES: Michael A. Verespej, from "Drug Users—Not Testing—Anger Workers," *Industry Week* (February 17, 1992) 192

NO: Jennifer Moore, from "Drug Testing and Corporate Responsibility: The 'Ought Implies Can' Argument," *Journal of Business Ethics* (vol. 8, 1989) 195

Michael A. Verespej, a writer for *Industry Week*, argues that a majority of employees are tolerant of drug testing. Jennifer Moore, a researcher of business ethics and business law, asserts that employers' concerns about drug abuse should not override employees' right to dignity and privacy.

Issue 11. Is CEO Compensation Justified by Performance? 208

YES: Kevin J. Murphy, from "Top Executives Are Worth Every Nickel They Get," *Harvard Business Review* (March/April 1986) 210

NO: Lisa H. Newton, from "The Care and Feeding of the Truly Greedy: CEO Salaries in World Perspective," An Original Essay Written for This Volume (2000) 219

Professor of finance and business economics Kevin J. Murphy argues that chief executive officers (CEOs) are simply paid to do what they were hired to do. Professor of philosophy Lisa H. Newton finds the ultimate effect of large compensation packages on U.S. business to be negative.

PART 4 CONSUMER ISSUES 229

Issue 12. Are Marketing and Advertising Fundamentally Exploitive? 230

YES: John P. Foley, from "Ethics in Advertising: A Look at the Report by the Pontifical Council for Social Communications," *Journal of Public Policy & Marketing* (Fall 1998) 232

NO: Gene R. Laczniak, from "Reflections on the 1997 Vatican Statements Regarding Ethics in Advertising," *Journal of Public Policy & Marketing* (Fall 1998) 237

Archbishop John P. Foley contends that advertising can be deceptive and improperly influential on media editorial policy. Professor of marketing Gene R. Laczniak counters that these conclusions are overstated, only partially true, economically naive, and socially idealistic.

Issue 13. Was Ford to Blame in the Pinto Case? 246

YES: Mark Dowie, from "Pinto Madness," *Mother Jones* (September/October 1977) 248

NO: Ford Motor Company, from "Closing Argument by Mr. James Neal," Brief for the Defense, *State of Indiana v. Ford Motor Company*, U.S. District Court, South Bend, Indiana (January 15, 1980) 263

Investigative journalist Mark Dowie alleges that Ford Motor Company deliberately put an unsafe car—the Pinto—on the road. James Neal, chief attorney for Ford Motor Company during the Pinto litigation, argues that there is no proof of criminal intent or negligence on the part of Ford.

Issue 14. Should We Require Labeling for Genetically Modified Food? 274

YES: Philip L. Bereano, from "The Right to Know What We Eat," *The Seattle Times* (October 11, 1998) 276

NO: Joseph A. Levitt, from Statement Before the Health, Education, Labor, and Pensions Committee, United States Senate (September 26, 2000) 283

Professor of technical communication Philip L. Bereano contends that consumers have a real and important interest in knowing the processes by which their foods arrive on the table. Joseph A. Levitt, director of the Center for Food Safety and Applied Nutrition, states that as far as the law is concerned, only the nutritional traits and characteristics of foods are subject to safety assessment.

PART 5 INTERNATIONAL OPERATIONS: GLOBAL OBLIGATIONS 293

Issue 15. Are Multinational Corporations Free From Moral Obligation? 294

YES: Manuel Velasquez, from "International Business, Morality and the Common Good," *Business Ethics Quarterly* (January 1992) 296

NO: John E. Fleming, from "Alternative Approaches and Assumptions: Comments on Manuel Velasquez," *Business Ethics Quarterly* (January 1992) 302

Professor of business ethics Manuel Velasquez argues that since any business that tried to conform to moral rules in the absence of enforcement would cease to be competitive, moral strictures cannot be binding on such companies. Professor emeritus John E. Fleming asserts that multinational

corporations tend to deal with long-term customers and suppliers and must therefore adhere to moral standards or lose business.

Issue 16. Are Sweatshops Necessarily Evil? 306

YES: Susan S. Black, from "Ante Up," *Bobbin* (September 19, 1996) 308

NO: Allen R. Myerson, from "In Principle, a Case for More 'Sweatshops,'" *The New York Times* (June 22, 1997) 311

Susan S. Black, publisher of *Bobbin*, argues that customers will not tolerate goods made by slave labor, children, or women working in inhumane conditions. Allen R. Myerson, a writer for the *New York Times*, looks at the economies of less developed countries and finds that allowing their citizens to work in sweatshops may be the only option these nations have.

Issue 17. Should Patenting Life Be Forbidden? 316

YES: Jeremy Rifkin, from "Should We Patent Life?" *Business Ethics* (March/April 1998) 318

NO: William Domnarski, from "Dire New World," *Intellectual Property Magazine* (January 1999) 324

Jeremy Rifkin, president of the Foundation on Economic Trends, fears that genetic engineering extends human power over the rest of nature in ways that are unprecedented and whose consequences cannot be known. William Domnarski, an intellectual property lawyer, finds the patenting of genes or genetic discoveries no different than patenting any other ideas.

PART 6 ENVIRONMENTAL POLICY AND CORPORATE RESPONSIBILITY 329

Issue 18. Do Environmental Restrictions Violate Basic Economic Freedoms? 330

YES: John Shanahan, from "Environment," in Stuart M. Butler and Kim R. Holmes, eds., *Issues '96: The Candidate's Briefing Book* (Heritage Foundation, 1996) 332

NO: Paul R. Ehrlich and Anne H. Ehrlich, from "Brownlash: The New Environmental Anti-Science," *The Humanist* (November/December 1996) 342

John Shanahan, vice president of the Alexis de Tocqueville Institution in Arlington, Virginia, concedes that environmental problems exist but denies that there is any environmental "crisis." Environmental scientists Paul R. Ehrlich and Anne H. Ehrlich contend that many objections to environmental protections are self-serving and based on bad or misused science.

Issue 19. Can Rain Forest Products Save the Tropical Rain Forest? 352

YES: Thomas A. Carr, Heather L. Pedersen, and Sunder Ramaswamy, from "Rain Forest Entrepreneurs: Cashing in on Conservation," *Environment* (September 1993) 354

NO: Jon Entine, from "Let Them Eat Brazil Nuts: The 'Rainforest Harvest' and Other Myths of Green Marketing," *Dollars and Sense* (March/April 1996) 363

Economics professors Thomas A. Carr and Sunder Ramaswamy and mathematics teacher Heather L. Pedersen state that sustainable use of rain forest products helps to preserve the forest and support the local economy. Investigative reporter Jon Entine asserts that most green marketing programs do nothing to slow forest destruction and frequently result in the mistreatment of employees, vendors, and customers.

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