

# Ethical Issues in Business and Economics

Theology 210  
Boston College, Spring 2007

## Professor Erik Owens

Class meets: Tue/Thu 9:00-10:30am  
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Office Hours: Mon. 3-5pm & by appt.  
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## Course description:

In this course we will explore the ethical and moral dimensions of the contemporary business environment. The course readings, classroom discussions, and writing assignments are intended to introduce students to the concepts of philosophical and religious ethics, and to demonstrate how these concepts are used to address particular business situations and, more generally, to critique economic systems. You should complete this course with an appreciation of the complexity of ethical issues in business and economics as well as an ability to form reasoned and well-argued opinions about them. No previous familiarity with philosophy or ethics is assumed or required, but you will be expected to rigorously engage the reading and come to every class prepared to discuss the material.

## Required Texts:

Most of the course readings will be articles or chapters placed on online reserve at the library (**eReserve**). Where possible, the entire books or journals from which these articles were taken have been placed on reserve as well. **The following texts have been ordered at the BC bookstore**, are on reserve at the library, and may be purchased online:

- Max Stackhouse et al., *On Moral Business: Classical and Contemporary Resources for Ethics in Economic Life* (Eerdmans, 1995). **[OMB]**
- National Council of Catholic Bishops, *Economic Justice for All* (USCC, 1986/1996).
- Charles Wheelan, *Naked Economics* (Norton, 2003)

Suggested readings are also provided for many topics we will discuss. You will not be tested on that material, but it will be useful as you prepare for class discussion, presentations and papers. I also strongly recommend that you **read a major newspaper** (Boston Globe, New York Times, Wall Street Journal, Washington Post, Christian Science Monitor, Financial Times, etc.) **or business newsmagazine** (Forbes, Fortune, BusinessWeek, Portfolio, Inc., etc.) **every day this semester**. The news pages are filled with business ethics issues that we will be discussing in class.

## Course requirements:

1. **Participation:** The central goal of the course is for students to develop their own capacities to reason about difficult ethical issues; this is best done in discussion with others, where you can present, defend and revise your opinion in a constructive environment. Your thoughtful participation in class discussions (which is a function of your consistent preparation and attendance) is thus essential, and will count for **20% of your grade**. Diverse points of view will be presented in the course readings, and they are likewise welcomed in the ensuing discussion. In the interest of maintaining an ongoing, constructive dialogue about topics that can be rather contentious, you are expected to demonstrate mutual respect and civility in the classroom.
2. **Paper:** I will distribute a case study about a topic of current interest. Students will write a short paper (5-6 pages) analyzing the fundamental issues at stake possible responses from two or three of the theological and philosophical theories discussed in parts 1 and 2 of the course. This paper is worth **25% of your grade**, and is due (in print) in my office by 4pm on **Monday October 8**.

3. **Mid-to-late-term exam:** The in-class exam on November 18 will cover material from parts 1-3 of the class, and will be worth **30% of your grade**.
4. **Presentation:** Each student or group (depending on class size) will lead a class discussion during part 4 of the course. Each presenter will be expected to: (a) explicate the reading for that day, in part by raising the relevant ethical questions involved; (b) articulate and defend an ethical position with regard to issue or case at hand; and (c) lead the class discussion that follows. A short written summary of (a) and (b) should be turned in at the end of the class in which your group leads. Groups or individuals are encouraged to discuss your presentation with me in advance of your presentation, though this is not required. This presentation is worth **25% of your grade**; if a group presents, each member will receive the same grade.

#### The grading scale:

- A = excellent work** (A = 95-100; A- = 90-94)  
**B = good work** (B+ = 87-89; B = 83-86; B- = 80-82)  
**C = adequate work** (C+ = 77-79; C = 73-76; C- = 70-72)  
**D = poor work** (D = 60-69)  
**F = inadequate or insufficient work** (59 & below)

#### Academic integrity:

I don't need to elaborate on the obvious seriousness of academic integrity in an ethics course. I encourage you to read the university's section on plagiarism and other forms of cheating here: <http://www.bc.edu/offices/stserv/academic/resources/policy/#integrity>. Penalties for such activity range from failing that assignment to expulsion from the university. Please talk to me about any questions you may have.



# Course Outline

## Part 1: The Power and Promise of Economics

(1) Tue 9/4: Introduction

(2) Thu 9/6: Economics and the Market: The Orthodox View

*What's so great about free markets?*

- Assignment: Charles Wheelan, *Naked Economics*, Chap 1. (eReserve)

(3) Tue 9/11: Christian Reflections on the Primacy of Economics

*Are there limits to the explanatory power of economics?*

- Assignment: Harvey Cox, "The Market as God: Living in the New Dispensation" (eReserve); Rebecca Blank, "Viewing the Market Economy Through the Lens of Faith," in *Is the Market Moral? A Dialogue on Religion, Economics and Justice*, 11-56. (eReserve)
- Suggested: Michael Sandel, "What Money Can't Buy: The Moral Limits of Markets" (eReserve); Paul Hessert, "Theology and Money" (OMB 629-33).



(4) Thu 9/13: Heterodox Economics

*What if economics is based on flawed assumptions about rationality and utility?*

- Assignment: John Cassidy, "Mind Games: What Neuroeconomics Tells Us about Money and the Brain" (eReserve); Patricia Cohen, "In Economics Departments, a Growing Will to Debate Fundamental Assumptions" (eReserve); Jonathan Clements, "No Satisfaction: Why What You Have is Never Enough" (eReserve); Revkin, "A New Measure of Well-Being From a Happy Little Kingdom" (eReserve).

## Part 2: Philosophical Resources for Business Ethics

(5) Tue 9/18: Business Ethics Concepts and Contexts

*Is "business ethics" an oxymoron?*

- Assignment: Kevin Gibson, "An Overview of Business Ethics," in *Ethics and Business: An Introduction*, 1-26. (eReserve)
- Suggested: Prisoner's dilemma game: [serendip.brynmawr.edu/playground/pd.html](http://serendip.brynmawr.edu/playground/pd.html) (A little strategic advice: [www.wired.com/culture/lifestyle/news/2004/10/65317](http://www.wired.com/culture/lifestyle/news/2004/10/65317))



**(6) Thu 9/20: Justice as a Guide to Evaluating Social and Economic Systems**

*What's the best way to distribute resources across a society?*

- Assignment: Kevin Gibson, "Insights from Ethical Theory," in *Ethics and Business*, 27-30. (eReserve); Manuel Velasquez, "Justice and Fairness," in *Business Ethics: Concepts and Cases*, 105-122 (eReserve).

**(7) Tue 9/25: Outcomes as a Guide to Morality (Utilitarianism)**

*Can you measure happiness?*

*Is it okay to rob Peter to pay Paul?*

- Assignment: Kevin Gibson, "Insights from Ethical Theory," 30-37. (eReserve); J. Sharlet, "Why Are We Afraid of Peter Singer?" (eReserve).

**(8) Thu 9/27: Rights and Duties as Guides to Morality**

*Who decides what's right or wrong?*

- Assignment: Kevin Gibson, "Insights from Ethical Theory," 37-44 (eReserve); The U.S. Bill of Rights and Declaration of Independence (eReserve); Universal Declaration of Human Rights (eReserve)



*"You can't please all the people all the time, so you might as well please the pharmaceutical lobby."*

**(9) Tue 10/2: Virtues as Guides to Morality**

*What kind of person acts ethically?*

- Assignment: Kevin Gibson, "Insights from Ethical Theory," 44-51 (eReserve); Robert Solomon, "Corporate Roles, Personal Virtues: An Aristotelian Approach to Business Ethics," 71-83 (eReserve)
- Suggested: William May, "The Virtues of the Business Leader" (OMB 692-700).

**Part 3: Theological Resources for Business Ethics**

**(10) Thu 10/4: Creation and Dominion**

*What would it mean if God gave humans dominion over the earth?*

- Assignment: Genesis 1.1-4.26 (OMB 47-48); "Climate Change: An Evangelical Call to Action" (eReserve); packet of articles about and responses to the Call to Action (eReserve)
- Suggested: <http://www.christiansandclimate.org/>

**\*\* Mon 10/8 Short Paper due (in print) by 4pm in my office.**

**(11) Tue 10/9: Exodus, Covenant, Prophetic Witness**

*What binds a religious community together? How can those values and beliefs be sustained and reclaimed in a diverse society?*

- Assignment: Exodus 20-23 and Amos 1-5 (preferably NRSV) (eReserve); Max Stackhouse, "The Ten Commandments: Economic Implications," OMB 59-62; excerpts from "Letter from Birmingham Jail" (eReserve).
- Suggested: Paul Hanson, "The Birth of Covenant," OMB 56-58; Martin Luther King, "I Have a Dream" (eReserve)

**(12) Thu 10/11: The Gospel Message**  
*What would Jesus do?*

- Assignment: Matthew 5 and Luke 6 (OMB 76-78); Matthew 22:15-22 and Luke 20:20-26 (eReserve); Matthew 25 (OMB 82-83); Lisa Cahill, "Ethical Implications of the Sermon on the Mount" (OMB 79-81); Lwland Ryken, "Work as Stewardship," OMB 84-86.

**(13) Tue 10/16: Scripture as a Guide to Business Ethics**  
*What's the point of quoting chapter and verse?*

- Assignment: Max Stackhouse, "What Then Shall We Do? On Using Scripture in Economic Ethics" (OMB 109-14); Phred Dvorak, "Managing by the (Good) Book" (eReserve).



**(14) Thu 10/18: Islamic Business Ethics**  
*Is Islam anti-capitalist?*

- Assignment: Selections from the Qur'an (OMB 358-60); M. Cherif Bassiouni, "Business Ethics in Islam" (eReserve). Robert Hefner, "Islam and the Spirit of Capitalism" (OMB 363-67)

**(15) Tue 10/23: Jewish, Christian and Islamic Perspectives on (Financial) Interest**  
*When is lending money usurious?*

- Assignment: Selections from Hebrew Bible and New Testament (eReserve); Joanna Slater, "When Hedge Funds Meet Islamic Finance" (eReserve); G. Pascal Zachary, "Do Business and Islam Mix? Ask Him" (eReserve); Ken Brown, "Islamic Banking: Faith and Creativity" (OMB 367-69); *The Economist* editorial, "In Praise of Usury" (eReserve); Martin Luther, "Trade and Usury" (OMB 174-79)
- Suggested: Clement of Alexandria, "The Rich Man's Salvation" (OMB 142-46); John Wesley, "The Use of Money" (OMB 194-97)

**(16) Thu 10/25: Religious Perspectives on Gambling**  
*What, if anything, is wrong with gambling?*

- Assignment: William Galston, "The Memory of Sin" [handout]; Kathryn Tanner, "Grace and Gambling" [handout].
- NOTE: Students must attend at least one panel of the conference "Gambling and the American Moral Landscape," which takes place Thurs 1:00-6:15 and Fri 9:00-3:30 in The Heights Room, Corcoran Commons.

**(17) Tue 10/30: Buddhist and Confucian Perspectives on Business Ethics**  
*Do Eastern and Western economic values conflict?*

- Assignment: Teachings from the Buddhist Suttas (OMB 383-85); Phra Rajavaramuni, "Buddhist Attitudes Toward Poverty and Wealth" (OMB 386-89); Shunji Hosaka and Yukimasa Nagayasu, "Buddhism and Japanese Economic Ethics" (eReserve); Sayings of Confucius (OMB 400-402); Wei-ming Tu, "Is Confucianism Part of the Capitalist Ethic?" (OMB 409-11)
- Suggested: Revkin, "A New Measure of Well-Being From a Happy Little Kingdom" (eReserve)

**(18) Thu 11/1: Catholic Social Thought on Economic Justice**  
*Does the economy serve the people, or vice versa?*

- Assignment: *Economic Justice For All*, 1-29.
- Suggested: Papal encyclicals on labor/work: *Rerum Novarum* (1891), *Laborem Exercens* (1981) and especially *Centesimus Annus* (1991) (OMB 484-95).



**(19) Tue 11/6: Catholic Social Thought on Economic Justice (cont.)**

*Are there ethical norms governing economic life?*

- Assignment: *Economic Justice For All*, 32-82.
- Suggested: Additional sections from *Economic Justice For All*: "Employment" (§§127–169) or "Poverty" (§§127–135 and 170–215) in Chapter III; excerpts from Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (OMB 248-51)

**(20) Thu 11/8: In-class Examination**

**Part 4: Selected Topics in Business Ethics**

**(21) Tue 11/13: Poverty**

*What can/does the market do for/to the poor?*

- Assignment: Recall previous readings on poverty; Greg Ip, "Income Inequality Gap Widens" (eReserve); U.S. Census Bureau press release, "Household Income Rises, Poverty Rate Declines, Number of Uninsured Up" (eReserve); Brian Grow and Keith Epstein, "The Poverty Business" (eReserve); Connie Bruck, "Millions for Millions" (eReserve).
- Suggested: David Hollenbach, "Poverty, Justice and the Good of the City," in *Christian Ethics and the Common Good*, 173-211 (eReserve); complete U.S. Census Bureau report: "Income, Poverty and Health Insurance in the U.S. 2006" (eReserve); Anand Giridharadas, "In India, Poverty Inspires Technology Workers to Altruism" (eReserve).

**(22) Thu 11/15: Wealth and Inequality**

*How much is too much? Is economic inequality a good thing?*

- Assignment: Charles Wheelan, *Naked Economics*, 111-117 (eReserve); Andrew Carnegie, "The Administration of Wealth" (OMB 292-96); Joe Nocera, "Weighing Jobs' Role in a Scandal"; Louis Uchitelle, "The Richest of the Rich, Proud of a New Gilded Age" (eReserve)
- Suggested: Bill Gates Net Worth page: <http://evan.snew.com/ecgi/bgnw.cgi>



*"It's not enough that we succeed. Cats must also fail."*

**(23) Tue 11/20: Fraud, Frenzy and the Dot-Com Bubble**

*Where did Enron and Arthur Anderson go wrong?*

- Assignment: Watch “Enron: The Smartest Guys in the Room” in class.

**\*\* Thu 11/22: NO CLASS: THANKSGIVING HOLIDAY**

**(24) Tue 11/27: Globalization and Corporate Social Responsibility**

*Does owning stock mean investing in apartheid and genocide?*

- Assignment: Robert Kinloch Massie, “Corporate Democracy and the Legacy of the South African Divestment Movement” (OMB 577-583); Dashka Slater, “Resolved: Public Corporations Shall Take Us Seriously” (eReserve); Charles Wheelan, *Naked Economics*, Chap. 11; Carolyn Cui, “For Money Managers, A Smarter Approach to Social Responsibility” (eReserve)
- Suggested: Jason DeParle, “A Good Provider Is One Who Leaves” (eReserve)

**(25) Thu 11/29: Bioethics and Business**

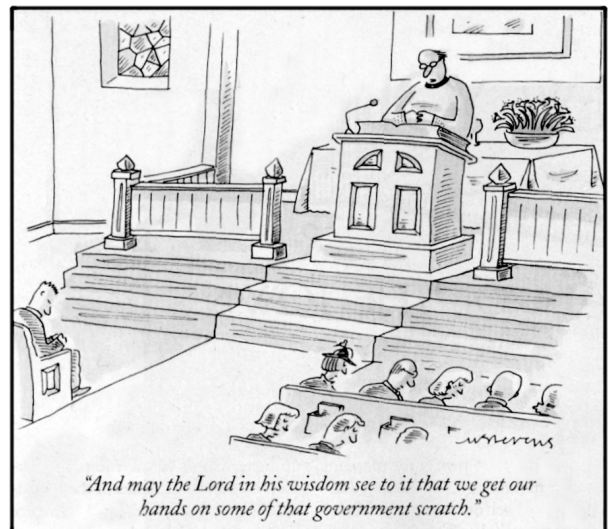
*Should life itself be a source of profit? Is the cost of saving one life ever too high?*

- Assignment: Three packets of recent articles related to (1) patents for genetic sequences and new life forms; (2) the cost (moral and financial) of medical advances; and (3) the market for human organs.
- Suggested: Michael Sandel, “The Case Against Perfection” (eReserve)

**(26) Tue 12/4: The Business of Religion**

*Should religious organizations be exempt from laws that govern businesses??*

- Assignment: Stephen Monsma, “The Implications of Equal Treatment” (eReserve); NYT series (“In God’s Name”) about legal exemptions for religious organizations.
- Suggested: Michael McConnell, “Equal Treatment and Religious Discrimination” (eReserve)



**(27) Thu 12/6: Conclusion: Thinking about Ethics in Everyday Life**

*So Now What?*

- Assignment: Bring questions to discuss in class.