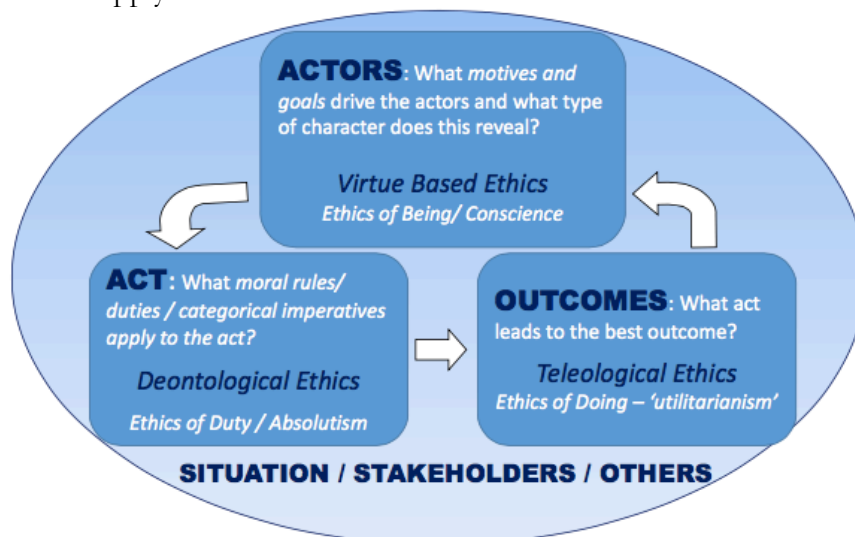


## Seminar 1 – Framework

Ethics = the philosophy of morality; of right and wrong

1. Ethical Reasoning – what is the right thing to do?
  - Deontological Ethics – general laws, duties + moral obligations should guide our actions
  - Teleological Ethics – right action is the action that creates the greatest good / best outcome for the largest number of people
  - Virtue-Based Ethics – good actions are the actions that display a virtuous character
2. Analytical Ethics – why? What is the foundation for our ethical reasoning?
  - Foundation for deciding what is right / wrong
  - Naturalism: finding ethical truth in the way nature has designed us
  - Metaphysical moralism: finding ethical truth in the supernatural
  - Institutionism: Finding ethical trust in institutions
  - Intuitivism/Legalism: relying on intuition – what feels good or right
  - Rationality: whatever is rational is right, whatever is irrational is wrong (invisible hand)
  - Subjectivism: ethical truth is subjective + emotional
3. Practical Ethics – how to make sure we actually do what we think is the right thing to do
  - Knowing what is the right thing to do
  - Motivation to apply
  - Freedom to apply



### Purpose of Business?

- Profit maximisation for shareholders / owners (Friedman)
- Origin – trading g/s
- Fulfil needs + wants (Drucker)

“If business continues to view itself as a purely economic, rather than a social and a quasi-political institution, it can only continue to incur the hostility of people and perpetuate the image of itself as an amoral, and possibly an immoral, institution.” (Klein 1988, p. 53)

New social contract? – sustainable development goals or Oxfam Report 2017 the rich get richer

The Is-Ought Problem – moral subjectivism

- Hume’s law – we cannot logically derive an ought statement from an is statement without any underlying values or opinions

**O’shea – Tech has no moral code**

## Seminar 2 – Utilitarian (Jones, Friedman & The Corporation)

**Pharmacist Case** – should he break in to gain life saving drugs?

**University Education** should be free?

**The Ache Experiment** – the line test = conformity to the tribe (tribalism)

- Difference b/w knowing and doing the right thing

### Consequentialism

- Good because of intentions or because of the (foreseeable) consequences of what we did
  - o **Trolley Problem** – utilitarianism = change the track and kill 1 person over 5
  - o **R v Dudley and Stephen** – set precedent that necessity is not a defence to murder

**Jeremy Bentham** – opposed ego-centricity of aristocracy

- People act/react driven by pain and/or pleasure and would naturally choose what causes themselves the greatest pleasure and least amount of pain.
- Right thing to do is maximise the TOTAL pleasure; not only your own

### Stuart Mill

- ‘greatest happiness principle’ – added on that we have higher and lower pleasure
- premium on adhering to certain rules which increase utility

### Challenges:

- what constitutes happiness
- who happiness should we take into account
- how do we weight happiness to calculate the greatest happiness for all
- can we really predict the outcome – allows the end to justify the means
- is the basic premise right: are humans naturally inclined to avoid pain and maximise pleasure? How about sacrifice + altruism

Egotism + Altruism linked to consequentialism

- altruists: self is not more important than others vs. invisible hand being justified in egotism

**Friedman (1970)** – responsibility of business is to increase its profits

- social responsibility in business = pure and unadulterated socialism
- only people can have responsibilities
- agent-principal dilemma or theory of agency
- CSR = hypocritical window dressing

**Adam Smith** – if we create a free market where everyone is adventegous then even actions with selfish intentions can benefit society (invisible hand)

- Enlightened self-interest: acting in one’s self-interest often benefits others

Ford Pinto Case Study

**The Corporation** – a moral person? – corporations are often making trade-offs (social/enviro)

- Crisis of confidence – few bad apples?
- Paradox: Causes great wealth but causes enormous + often hidden harms
- Separation of management and ownership + acknowledged as a ‘legal person’
- Unethical behaviour by corporations is systemic