

INTERNATIONAL BUSINESS ETHICS

Instructor: Dr. Stephan Rothlin

Email: Stephan.rothlin@gmail.com

Websites: www.cibe.org.cn; www.aibethics.org;

Telephone: 6497 3946 (office), 139 1177 5014 (Mobile phone: for emergency)

Course Description

International Business Ethics is a new academic subject at the crossroad of different sciences such as law, economics, sociology, anthropology, philosophy and theology. The course covers the main concepts of business ethics in a broad international perspective, but with a constant focus of the Chinese context, with a particular emphasis on the evaluation of 30 years open door policy in China. Special attention will be given to the ethical implications of the consequences of economic crisis and corrupt practices.

Course Outcomes

Lectures, readings, paper assignments, and discussions are designed to help you develop the skills to:

- Think and read critically, write and speak persuasively about ethical implications of major case studies and current daily events: *Why not writing a regular journal?*
- Connect and integrate understandings of major daily events, and grasp their ethical and moral dimensions.
- Seek and appreciate the complex, multi-causal origins of the events and outcomes of case studies from economic, sociological, philosophical and ethical perspectives.
- Critically evaluate the validity of case studies related to product safety issues, turmoil in the financial markets, slave labor, human trafficking, from a variety of sources and come up with your own interpretations of source materials.
- Use primary and secondary sources to construct original, complex, and logical interpretations of daily events.

Course Requirements and Form of Assessment

- **Informed participation in all discussions** (10%).
- **Discussion of ethical current issues** (10%). At the beginning of the class one student is required to discuss one major event which happened during the last weeks which is related to the topic of international business ethics. Students are expected to be able to present their reflection individually on such an event and explain its ethical, economic and other related dimensions at the beginning of the class without ppt.
- **Group analysis paper** (25% each) (8-12 pages, double spaced) Based on the presentation of the group, the group is required to further analyze their presentation in the light of the reading assignments and systematically apply different aspects of ethical analysis to a specific case studies with the goal to define specific action proposals. The group analyses paper has to be handed over as a hard copy as well as an electronic file **ON NOVEMBER 15, 2010, 4.30 pm Beijing time.**
- **Group presentation** (20%). Guidelines will be distributed at the beginning of the course. You are required to choose a case study, preferably from the Chinese or Asian context, and critically apply all the relevant aspects in your analysis.

- **Midterm Quiz** (10%). In order to make sure that everybody has read the reading assignments a test will cover the key concepts of international business ethics.
- **Final exam** (25%). The format is an Analysis of a case study related to international business ethics in the light of different ethical and economic theories as discussed and explained in the class as well as the ability to apply the key terms of Catholic Social Teaching to International Business Ethics.

Reading assignments are carefully chosen to accompany discussions and assignments. Students are expected to have completed the assigned weekly readings before attending class.

One-third of a grade will be deducted for each day that a writing assignment or exam is late (i.e., an A will be reduced to an A-, an A- to a B+, and so on). Makeup exams will only be given in cases of documentable emergencies. In case of such an emergency, please notify me by email or phone as soon as possible.

Grading Scale: < 59.4 F; 59.5-66.4 D; 66.5-69.4 D+; 69.5-73.4 C-; 73.5-76.4 C; 76.5-79.4 C+; 79.5-83.4 B-; 83.5 – 86.4 B; 86.5 – 89.4 B+; 89.5-93.4 A-; 93.5 and up A.

Attendance Policy

An excused absence requires a written medical excuse or written approval from the school's administration office. All other absences are considered to be unexcused. Unexcused absences will affect your grade (see below). Arriving more than 10 minutes late for any three classes will cumulatively count as one unexcused absence, while arriving 30 minutes late for any class will count as an unexcused absence.

Penalties for unexcused absences:

- 1 absence – class participation grade drops one full letter grade (example: A- to B-)
- 2 absences – class participation grade drops two full letter grades
- 3 absences – class participation grade drops three full letter grades
- 4 or more absences – class participation grade is a failing grade

Any absence, whether excused or not, will require catch-up reading.

Academic Honesty

Please refer to the following web link for policies on academic honesty:

http://www.luc.edu/cas/pdfs/CAS_Academic_Integrity_Statement_December_07.pdf

If a student is engaging in other activities such as reading newspapers, using the mobile phone, checking out recent travel packages, or eating he or she has to leave the classroom and will be required to submit a detailed case study of 5-8 pages, double space, on a specific topic related to ethics and economics within 48 hours. If the assignment is not completed, the student will get the grade of an F which will count for 10% of her or his final grade.

Required Texts

Rothlin S. (2004), *Becoming a Top-Notch Player. 18 Rules of International Business Ethics*, Beijing: Renmin-University

Recommended Text

De George, R.T. (2006), *Business Ethics, 6.edition*, New Jersey: Prentice Hall

Enderle, G. (1999), *International Business Ethics. Challenges and Approaches*, Notre, IN: Notre Dame University Press

Boatright, J.R. (2007), *Ethics and the Conduct of Business, 6.edition*, New Jersey: Prentice Hall
Journal of International Business Ethics, JIBE, American Scholars Press, 3 issues which are available in the TBC library.

Class Schedule

September 13: Introduction: International Business Ethics

1. Introduction and overview of course: Key terms of International Business Ethics with a focus on China
2. Discussion: The subprime crisis, the sequence of collapses of Freddie & Fanny, the Lehman Brothers, the SANLU milk scandal and its ethical implications. Richard Sennet's analysis of the Decline of the United States. How to fix the financial system in the States, in China, in the international markets? Why does the Middle Class collapse?
3. Choice of the topics for the presentation, methods to be used for case analysis and presentation, format of quiz and exams; how to use the APA style in order to quote in a correct way.

September 20: The values of different cultures and the Financial Crisis

1. Presentation of the 3 first chapters of the textbook, Rothlin, pp.1-54
2. The clash between DANONE and WAHAHA, or the clash with PEPSI and its Sichuan partner: How can a Joint Venture be successful?

September 27: Respect & Healthy and safe working conditions

1. Presentation of chapter 4 and 5
2. The scandal in the kiln mines in China or the string of suicides at Foxconn in 2010
Required Reading: Enderle, pp.150-159

October 11: Trust

1. Presentation of chapter 6
2. The turmoil in the global financial markets from the perspective: The cases of UBS and Société Générale and Jérôme Kerviel.
3. Required reading: Enderle, pp.358-372: Trust and Filipino Family Business

October 18: Whistle Blowing/ MID TERM EXAM

1. Presentation of chapter 7
2. Boatright, pp. 92-`115 applied to the Enron- Andersen case
3. Sharron Wattkins and realistic scenarios of Whistle Blowing in the Asian context, Japan's new Whistle Blowers (see reports in New York Times)
4. How to translate "Whistle Blowing" into Chinese?

October 25: The Wealth Gap and Social Tensions in China: 1. Presentation of Chapter 10

2. Required Reading: De George, pp.353-416m Workers' Rights; Whiteman/ Krug: Beauty and the Beast: Consumer Stakeholders Demand Action in China, in JIBE 1,2008, 36-52
3. The roots of the 78 000 riots which happened in 2007
4. The string of killings of schoolchildren in Nanping, Hepu, Leizhou, Taizhou, Weifang and Nanzheng
5. Ethics Training and conflict solving at the company "Total"

November 8: Discrimination: gender, race, city-countryside

1. Presentation of chapter 11
2. Required Reading: De George, pp.417-446: Discrimination. The case of Allison K. Schieffelin at Morgan Stanley: Entertainment in London

November 15: Brand Recognition & Intellectual Property Rights: Presentation of Rule 9 & 12:

1. De George, pp.447-474, Property: Information and Software
2. What is a *just price* of a CD? Of a medicine? Investigating into criminal abuse of the Internet such as surprises as “I love you”- bug; The Nestlé Milk Formula Case in the Anhui Province, China; the contaminated milk in 10 Chinese Provinces, the SANLU merger with SANYUAN

November 22: Diminishing corruption and Care for the Environment

1. Presentation of Chapter 13
2. Required Reading: De George, pp.546-579, Bribery and the Foreign Corrupt Practices Act, Child labor and Sweatshops, Cross-Cultural Judgments, Negotiation
3. Corruption in the Fujian-province: The case of Lai Changxing or an alternative case such as corruption around the new airport of Piatco in Manila, Philippines: Siemens
4. The progress and setbacks of the fight against corruption in China. The anti-corruption report of Xiao Yang (published at Law Press, Beijing, 2009)

November 29: Care for the Environment

1. Presentation of Chapter 16, pp. 234-250
2. The catastrophe of Songhua River and its aftermath
3. The catastrophe of Bhopal, see De George, pp.525-528
4. Required Reading: Enderle, pp.174-186: Judith White: The Ethic of Care and the Buddhist Ethic of Compassion; Jason Z. Yin: Green GDP Strategy and Corporate Responsibility, JIBE, 1,2008, 80-91
5. Procedure how to develop Ethical Codes for different companies and industries

December 6: Implementing Ethical Codes

1. Presentation and critical evaluation of the Codes of Halliburton
2. How to develop and implement Ethical Codes in an unsettled context?

Contradictory discussions & Final Review of the course

Prejudice a: *You must bribe in order to be successful in doing business with the Chinese*

Prejudice b: *Environmental standards from the States are way too expensive for China*

Prejudice c: *Forget Whistle-Blowing in China otherwise you will be fired*

Three groups will be divided into two subgroups who are given the assignment to convincingly argue the case either in favor or against the prejudices.

December 13: Final exam

The focus of the final exam is to have a clear grasp of the key concepts of International Business Ethics and the ability to apply them to the Chinese context and to case studies.

Dr. Stephan Rothlin, Beijing, September 6, 2010