Purpose and Objectives

The fundamental purpose of business ethics is to enhance the ethical quality of decision making processes at all levels of business, at the personal (micro-), organizational (meso-), and systemic (macro-) levels. This 2-credit course on international business ethics builds on the previous course “Foundations of Ethical Business Conduct” and concentrates on the international dimension of business ethics at all three levels, with a special focus on China.

The course includes two parts. In the first part, we attempt to gain a deeper and more sophisticated understanding of what corporate responsibility in economic, social, and environmental terms can mean and how it is crucial for both big and small companies facing globalization. We discuss several companies as examples to substantiate corporate responsibilities in the global context and explore different but complementary frameworks for global ethical standards: Amartya Sen’s capability approach, the contributions of world religions, particularly the Manifesto Global Economic Ethic and the Interfaith Declaration of International Business Ethics, and the UN-Framework for Business and Human Rights.

The second part of the course focuses on crucial aspects for developing business ethics in China. We use the newly published paperback Developing Business Ethics in China (2006/2013) and the book China 2020 (2009), complemented by a number of videos and further articles as background information. By investigating a few major challenges of doing business in China, we hope to overcome widespread prejudices and clichés about China, to become more sensitive for the complexities of this country, and to help improve mutual understanding between the East and the West.

Assignments

- Required readings to be completed prior to class
- Notes to be prepared prior to class
- Group assignment “Chinese companies go global” by four students
- Research paper by two students: Draft of ½ page submitted by April 2. Final paper of 12 pages (ca. 4,200 words) due by April 30 (see guidelines).
Grading

The final grade will be computed on the basis of active class participation (including use of required readings: 15%), the preparation of notes (20%), group assignment (15%), and the research paper (50%).

Remember the Honor Code Pledge

"As a member of the Notre Dame community, I will not participate in or tolerate academic dishonesty."

Textbooks and Further Readings

Lu, Xiaohe, Enderle, Georges (eds.) 2006/2013. Developing Business Ethics in China. Paperback. New York: Palgrave (referred to as BE China; available from the instructor through Xinlan Zhou, xzhou@nd.edu; price: $18).


Course Packet MBET 60330 (referred to as CP). Accessible on Sakai.

The readings in [ ] are supplementary, non-required readings, also accessible on Sakai.

Explanations of the Research Paper

The paper of 10 - 12 pages (i.e., 3,500 to 4,200 words) is a joint-paper written by two students. It deals with a freely chosen topic. A draft of about half a page (200 words) including title, structure and main references is to be submitted to G. Enderle by April 2. The final paper is due by April 30.

The research paper requires major efforts. It should include a "business" dimension, an "international" dimension and an "ethical" dimension, and will be evaluated according to the following criteria:

1. Choice and precise identification of topic (problem)
2. Problem addressed
3. Clear concepts
4. Consistent structure of the paper
5. Personal view, experience
6. Reference to literature
7. Reasoning
8. Recommendations
Class Schedule

Part I: Corporate Responsibilities in the Process of Globalization

March 19:  Introduction and Overview
G. Enderle: A Rich Concept of Wealth Creation Beyond Profit Maximization and Adding Value (CP)
United Nations Global Compact: www.unglobalcompact.org
Global Reporting Initiative: www.globalreporting.org
UN-Framework for Business and Human Rights: www.business-humanrights.org/SpecialRepPortal/Home
[ISO 26000 Social Responsibility: www.iso.org]
[Natural Capital Declaration in Rio 2012]

March 21:  Small Companies in the Global Economy
M. Yunus: The Micro-Credit Movement: Experiences and Perspectives (CP)
G. Enderle: Global Competition and Corporate Responsibilities of Small and Medium-Sized Enterprises (CP)
[T. Chiu: Putting Responsible Finance to Work for Citi Microfinance]

March 26:  Big Transnational Companies in the Global Economy
H. Steinmann: Corporate Ethics in Germany (BE China, chap. 23)
U. Baerlocher: Global Corporate Citizenship (BE China, chap. 25)
[A. Rasche et al.: The United Nations Global Compact: Retrospect and Prospect]
[G. Kell: 12 Years Later: Reflections on the Growth of the UN Global Compact]

March 28:  Key Features of Corporate Ethics:
L. Sharp Paine: The Corporation’s Evolving Personality (BE China, chap. 22)
D. Rossouw: Business Ethics and Corporate Governance (BE China, chap. 24)
G. Enderle: Beyond Profit and Rules (CP)
S. Webley: Values Inherent in the Interfaith Declaration of International Business Ethics (CP)
[H. Kueng et al.: Manifesto Global Economic Ethic (CP)]

April 2:  Business and Human Rights
A. Sen: Culture and Human Rights (CP)
G. Enderle: Some Ethical Explications of the UN-Framework for Business and Human Rights (CP)
[Top 10 Business and Human Rights Issues 2013]
[Financial Times (FT): Central Africa: The Quest for Clean Hands]

Submitting draft of research paper
Part II: Perspectives of Developing Business Ethics in China

Introductory readings:

- Preface and Introduction of BE China
  [A. Nathan, A. Scobel: How China Sees America: The Sum of Beijing’s Fears]

April 4:  

China’s Growing Economy and Increasing Inequalities: Video PBS 2005  
[Enderle: Wealth Creation in China and Some Lessons for Development Ethics]  
Y. Zhu: On China’s Traditional Business Ethics and Its Modern Transformation  
(BE China, chap. 1)  
K. J. Lam: Confucian and Christian Ethics about the Market Economy (BE China,  
chap. 3)  
Z. Hu and K. Huang: Fundamental Business Ethics Issues in Contemporary China  
(BE China, chap. 6)  
J. Yang: Ethical Evaluation of the Income Distribution in China According to Its  
Five Income Sources (BE China, chap. 12)  
[FT: China Wealth Gap Data Stoke Scepticism]  
[FT: Beijing Vows to Raise Minimum Wages]  
[Hurun China’s Rich List 2012]  
[NPR: China’s Rich Consider Leaving Growing Nation]

April 9:  

The Chinese Consumer: Video PBS 2005  
Z. Zhou: Ethical Concepts of Consumption in China and the West (BE China, 11)

Marketing Ethics in China  
G. Enderle, Q. Niu: Discerning Ethical Challenges for Marketing in China (CP)

[FT: Savvy Chinese Shoppers Push the Quality Bottom]  
[FT: China Retakes Renewables Investment Lead]  
[FT: China Wakes Up to Innovation]

April 11:  

Shake-ups of Chinese Companies: Video PBS 2000  
L. Li: ”Moral Reticence”: Corporate Management’s Tendency to Avoid  
Addressing Ethical Issues (BE China, chap. 18)  
X. Zhou: The Necessity and Prospects of Promoting Ethics in Chinese  
Enterprises: Experiences of Dazhong Transportation Group (BE China,  
chap. 19)  
F. Qiao: The Moral Values of “Joint-Forces Culture”: The Example of Xuchang  
Relay Group (BE China, chap. 20)  
H. Lu, C. Chiu: Corporate Citizenship Behavior in a Transitional Economy: An  
Exploratory Study in the People’s Republic of China (BE China, chap. 21)  
[Chinese Business Culture – A Generational Change?]

April 16:  

Chinese Companies Go Global:  
Group projects presented in class  
[IBM Report: Chinese Companies Going Global]  
[FT: Crouching Tiger, Hidden Agenda?]
April 18:  The Role of Foreign Business in China’s Uncertain Path to Democracy and Human Rights  
M. Santoro: Chapter 1 (see also readings of April 2)  

Solving China’s Sweatshop Problem  
M. Santoro: Chapter 2  
H. Gao: On the Moral Principles of Contract Ethics (BE China, chap. 5)  
[FT: China Wary Amid Push for Workers’ Union Poll]  
[FT: Foxconn Plans Chinese Union Vote]  

April 22-23:  Forum organized by the Notre Dame Deloitte Center for Ethical Leadership  

April 23:  Safety of Drugs and Other Products Manufactured in China  
M. Santoro: Chapter 3  

Promise and Limitations of China’s Internet as a Catalyst for Social and Political Change  
M. Santoro: Chapter 4  
R. De George: Business Ethics, Globalization, and the Information Age (BE China, chap. 9)  
[Chinese government’s White Paper: The Internet in China 2010]  
[FT: China: Speech Breaks Out]  
[FT: China Military Linked to Hacking Attacks]  

April 25:  Foreign Business and the Rule of Law in China  
M. Santoro: Chapter 5  
D. Xu: Business Corruption in China’s Economic Reform and Its Institutional Roots (BE China, chap. 13)  
G. Brenkert: Rules, Roles, and Moral Disparity: The Problem of Corruption (BE China, chap. 14)  
[Chinese government’s White Paper on corruption 2011]  
[FT: Push Back the Envelope]  
[FT: Appetite for Corruption]  
[FT: China Rulers Struggle with Corruption Culture]  

April 30:  Prospects of China’s Future  
M. Santoro: Chapter 6  
[European Council on Foreign Relations: China 3.0 (CP)]  

Conclusion  
Selected research paper presentations  
Submission of all research papers