

BUSINESS ETHICS

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1. APPROACHES TO BUSINESS ETHICS

When business people speak about “business ethics” they usually mean one of three things: (1) avoid breaking the criminal law in one’s work-related activity; (2) avoid action that may result in civil law suits against the company; and (3) avoid actions that are bad for the company image. Businesses are especially concerned with these three things since they involve loss of money and company reputation. In theory, a business could address these three concerns by assigning corporate attorneys and public relations experts to escort employees on their daily activities. Anytime an employee might stray from the straight and narrow path of acceptable conduct, the experts would guide him back. Obviously this solution would be a financial disaster if carried out in practice since it would cost a business more in attorney and public relations fees than they would save from proper employee conduct. Perhaps reluctantly, businesses turn to philosophers to instruct employees on becoming “moral.” For over 2,000 years philosophers have systematically addressed the issue of right and wrong conduct. Presumably, then, philosophers can teach employees a basic understanding of morality will keep them out of trouble.

However, it is not likely that philosophers can *teach* anyone to be ethical. The job of teaching morality rests squarely on the shoulders of parents and one’s early social environment. By the time philosophers enter the picture, it is too late to change the moral predispositions of an adult. Also, even if philosophers could teach morality, their recommendations are not always the most financially efficient. Although being moral may save a company from some legal and public relations nightmares, morality in business is also costly. A morally responsible company must pay special attention to product safety, environmental impact, truthful advertising, scrupulous marketing, and humane working conditions. This may be more than a tight-budgeted business bargained for.

We cannot easily resolve this tension between the ethical interests of the money-minded businessperson and the ideal-minded philosopher. In most issues of business ethics, ideal moral principles will be checked by economic viability. To understand what is at stake, we will look at three different ways of deriving standards of business ethics.

Deriving Business Ethics from the Profit Motive. Some businesspeople argue that there is a symbiotic relation between ethics and business in which ethics naturally emerges from a profit-oriented business. There are both weak and strong versions of this approach. The weak version is often expressed in the dictum that *good ethics results in good business*, which simply means that moral businesses practices are profitable. For example, it is profitable to make safe products since this will reduce product liability lawsuits. Similarly, it may be in the best financial interests of businesses to respect employee privacy, since this will improve morale and thus improve work efficiency. Robert F. Hartley's book, *Business Ethics*, takes this approach. Using 20 case studies as illustrations, Hartley argues that the long-term best interests of businesses are served by seeking a trusting relation with the public (Hartley, 1993). This weak version, however, has problems. First, many moral business practices will have an economic advantage *only* in the long run. This provides little incentive for businesses that are designed to exclusively to seek short-term profits. As more and more businesses compete for the same market, short-term profits will dictate the decisions of many

companies simply as a matter of survival. Second, some moral business practices may not be economically viable even in the long run. For example, this might be the case with retaining older workers who are inefficient, as opposed to replacing them with younger and more efficient workers. Third, and most importantly, those moral business practices that are good for business depend upon what *at that time* will produce a profit. In a different market, the same practices might not be economically viable. Thus, any overlap that exists between morality and profit is both limited and incidental.

The strong version of this profit approach takes a reverse strategy and maintains that, in a competitive and free market, the profit motive will in fact *bring about* a morally proper environment. That is, if customers demand safe products, or workers demand privacy, then they will buy from or work for only those businesses that meet their demands. Businesses that do not heed these demands will not survive. Since this view maintains that the drive for profit will create morality, the strong version can be expressed in the dictum that *good business results in good ethics*, which is the converse of the above dictum. Proponents of this view, such as Milton Friedman, argue that this would happen in the United States if the government would allow a truly competitive and free market. But this strong view also has problems, since it assumes that consumers or workers will demand the morally proper thing. In fact, consumers may opt for less safe products if they know they will be saving money. For example, consumers might prefer a cheaper car without air bags, even though doing so places their own lives and the lives of their passengers at greater risk, which is morally irresponsible. Similarly, workers may forego demands of privacy at work if they are compensated with high enough wages. In short, not every moral business practice will simply emerge from the profit principle as suggested by either the weak or strong views.

Business Ethics Restricted to Following the Law. A second approach to business ethics is that moral obligations in business are restricted to what the law requires. The most universal aspects of Western morality have already been put into our legal system, such as with laws against killing, stealing, fraud, harassment, or reckless endangerment. Moral principles beyond what the law requires – or *supra-legal* principles -- appear to be optional since philosophers dispute about their validity and society wavers about its acceptance. For any specific issue under consideration, such as determining what counts as responsible marketing or adequate privacy in the workplace, we will find opposing positions on our supra-legal moral obligations. It is, therefore, unreasonable to expect businesses to perform duties about which there is so much disagreement and which appear to be optional.

The unreasonableness of such a moral requirement in our society becomes all the more evident when we consider societies that *do* have a strong external source of morality. Islam, for example, contains a broad range of moral requirements such as an alms mandate, prohibitions against sleeping partners that collect unearned money, and restrictions on charging interest for certain types of loans, particularly for relief aid. Thus, in Muslim countries that are not necessarily ruled by Islamic law, there is a strong source of external morality that would be binding on Muslim businesses apart from what their laws would require. Similarly, Confucianism has a strong emphasis on filial piety; thus, in Chinese and other Confucian societies, it is reasonable to expect their businesses to maintain a respect for elders even if it is not part of the legal system. In Western culture, or at least in the United States, we lack a counterpart to an external source of morality as is present in Muslim or Confucian societies. One reason is because of our cultural pluralism and the presence of a wide range of belief systems. Even within Christianity, the diversity of denominations and beliefs prevents it from being a homogeneous source of Christian values. In short, without a widely recognized system of ethics that is external to the law, supra-legal moral obligations in our society appear to be optional; and, it is unreasonable to expect business people to be obligated to principles which appear to be optional.

In our culturally pluralistic society, the only business-related moral obligations that are majority-endorsed by our national social group are those obligations that are already contained in the law. These include a range of guidelines for honesty in advertising, product safety, safe working conditions, and fair

hiring and firing practices. In fact, the unifying moral force of businesses within our diverse society is the law itself. Beyond the law we find that the moral obligations of businesses are contextually bound by subgroups, such as with a business that is operated by traditional Muslims or environmental activists. In these cases, the individual businesses may be bound by the obligations of their subgroups, but such obligations are contingent upon one's association with these social subgroups. And, clearly, the obligations within those subgroups are not binding on those outside the subgroups. If a business does not belong to any subgroup, then its only moral obligations will be those within the context of society at large, and these obligations are in the law.

Corporations that assume an obligation beyond the law, either in their corporate codes or in practice, take on responsibilities that most outsiders would designate as optional. A good example is found in the mission statement of Ben & Jerry's Ice Cream, which includes the following:

Social Mission -- To operate the company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community -- local, national, and international.

Consistent with this mission, the highest paid employees of Ben & Jerry's would not earn more than seven times more than the lowest paid full-time employees. "We do this," they explain, "because we believe that most American corporations overpay top management, and underpay entry-level employees -- and because everyone who works at Ben & Jerry's is a major contributor to our success." In spite of the merits of this pay scale policy, it clearly lacks majority endorsement in our national social group, and would not be a binding obligation. In fact, it is not even binding on Ben & Jerry's itself since, in recent years, Ben & Jerry's had to abandon its own ideal pay scale in an effort to attract a CEO with the right skills to expand their company.

Strictly following this legal approach to business ethics may indeed prompt businesses to do the right thing, as prescribed by law. Nevertheless, there are two key problems with restricting morality solely to what the law requires. First, even in the best legal context, the law will lag behind our moral condemnation of certain unscrupulous, yet legal business practices. For example, in the past, drug companies could make exaggerated claims about the miraculous curative properties of their products. Now government regulations prohibit any exaggerated claims. Thus, prior to the enactment of a law, there will be a period of time when a business practice will be deemed immoral, yet the practice will be legal. This would be a continuing problem since changes in products, technology, and marketing strategies would soon present new questionable practices that would not be addressed by existing legislation. A second problem with the law-based approach is that, at best, it applies only to countries such as our own whose business-related laws are morally conscientious. The situation may be different for some developing countries with less sophisticated laws and regulatory agencies.

Deriving Business Ethics from General Moral Obligations. The third approach to business ethics is that morality must be introduced as a factor that is external from both the profit motive and the law. This is the approach taken by most philosophers who write on business ethics, and is expressed most clearly in the following from a well known business ethics essay:

Proper ethical behavior exists on a plane above the law. The law merely specifies the lowest common denominator of acceptable behavior. (Gene Lacznia, "Business Ethics: A Manager's Primer," 1983)

The most convenient way to explore this approach is to consider the supra-legal moral principles that philosophers commonly offer. Five fairly broad moral principles suggested by philosophers are as follows:

Harm principle: businesses should avoid causing unwarranted harm.

Fairness principle: business should be fair in all of their practices.

Human rights principle: businesses should respect human rights.

Autonomy principle: businesses should not infringe on the rationally reflective choices of people.

Veracity principle: businesses should not be deceptive in their practices.

The attraction of these principles is that they appeal to universal moral notions that no one would reasonably reject. But, the problem with these principles is that they are *too* general. These principles do not tell us *specifically* what counts as harm, unfairness, or a violation of human rights. Does all damage to the environment constitute harm? Does it violate an employee's right to privacy if an employer places hidden surveillance cameras in an employee lounge area? Does child-oriented advertising mislead children and thus violate the principle of veracity?

The above principles are abstract in nature. That is, they broadly mandate against harm, and broadly endorse autonomy. Because they are abstract, they will be difficult to apply to concrete situations and consequently not give clear guidance in complex situations. An alternative approach is to forget the abstract, and focus instead on concrete situations that affect the particular interests of consumers, workers, stockholders, or the community. The recent *stakeholder* approach to business ethics attempts to do this systematically. It may be expressed in the following:

Stakeholder principle: businesses should consider all stakeholders' interests that are affected by a business practice.

A stakeholder is any party affected by a business practice, including employees, suppliers, customers, creditors, competitors, governments, and communities. Accordingly, the stakeholder approach to business ethics emphasizes that we should map out of the various parties affected by a business practice. But this approach is limited since proponents of this view give us no clear formula for how to prioritize the various interests once we map them out. Should all stakeholders' interests be treated equally – from the largest stockholder down to the garbage man who empties the factory dumpster? Probably no defenders of the stakeholder approach would advocate treating all interests equally. Alternatively, should the stockholders' interests have special priority? If we take this route, then the stakeholder principle is merely a revision of the profit principle.

Another way of looking at concrete moral obligations in business is to list them issue by issue. This is the strategy behind corporate codes of ethics that address specific topics such as confidentiality of corporate information, conflicts of interest, bribes, and political contributions. Consider the following issues from Johnson and Johnson's Credo:

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities.

Although corporate codes of ethics are often viewed cynically as attempts to foster good public relations or to reduce legal liability, a corporate code of ethics is a reasonable model for understanding how we should articulate moral principles and introduce them into business practice. The practical advantage of this approach is that it directly stipulates the morality of certain action types, without becoming ensnared in the problem of deriving particular actions from more abstract principles, such as the harm principle. But, the limitation of the corporate code model is that the principles offered will appear to be merely rules of prudence

or good manners unless we can establish their distinctly *moral* character. And this requires relying on more general principles of ethic described above, which, we've seen, comes with its own set of problems.

Conclusion. We've looked at three approaches to business ethics, and we've seen that all three have limitations. If we hope to find an approach to business ethics that is free from conceptual problems, we will not likely find any. Ethics is a complex subject and its history is filled with diverse theories that are systematically refuted by rival theories. So, we should expect to find controversies when applying ethics to the specific practices of business. However, following *any* of the above three approaches to business ethics will bring us closer to acceptable moral behavior than we might otherwise be. Close attention to one's profit motive and the moral interests of consumers might in fact generate some morally responsible business decisions. We can indeed find additional moral guidance by looking at the laws that apply specifically to businesses. In gray areas of moral controversy that are not adequately addressed profit motives and the law, we can turn for guidance to a variety of general and specific moral principles.

In addition to the above three approaches to business ethics, it also helps to examine stories of businesses that have been morally irresponsible. By citing specific cases deceptive advertising, environmental irresponsibility, or unsafe products, we can learn by example what we should not do. Such cases often reveal blatantly crude, insensitive, or reckless attitudes of businesses, which we can view as warning signs of unethical conduct.

Study Questions for "Approaches to Business Ethics"

Introduction

- (1) What three things do business people usually mean by "business ethics"?
- (2) Why can't philosophers "teach" people to be ethical?

Deriving Business Ethics from the Profit Motive

- (3) What is the weak version of theory that connects business ethics to the profit motive?
- (4) What are problems with the weak version?
- (5) What is the strong version of theory that connects business ethics to the profit motive?
- (6) What are problems with this?

Business Ethics Restricted to Following the Law

- (7) Define "supra-legal" principle.
- (8) Why is it unreasonable to expect businesses to follow supra-legal moral principles?
- (9) What are some supra-legal moral principles that are binding in Muslim countries?
- (10) What are the problems with restricting business ethics to what the law requires?

Deriving Business Ethics from General Moral Obligations

- (11) Give an example of a broad moral principle suggested by philosophers.
- (12) What is the problem with deriving business ethics from broad moral principles?
- (13) What is a stakeholder?
- (14) What is the problem with articulating good business behavior in corporate codes of ethics?

Conclusion

- (15) What are some benefits of all three approaches to business ethics?
- (16) What can we learn by looking at case studies in business ethics?

2. DOING BUSINESS IN FOREIGN COUNTRIES

The moral challenge for businesses here in the United States is difficult enough when balancing one's profit interests against the needs of employees, consumers, governments and special interest groups. The moral challenge is even more intense for multinational companies who need to live up to moral expectations

both in the US and in host foreign countries. In developed countries, the moral expectations of the host country are as stringent as our own. With third world host countries, though, the moral expectations often more lax, and multinationals are tempted to lower their standards when situations permit. In this chapter we will look at three areas of moral concern for multinationals: bribery, influencing foreign governments, and exploiting third world countries.

Bribery in Third World Countries. When we think of moral dilemmas that multinationals face we usually think of the pressure on companies to bribe government officials in third world countries. Although bribery of government officials also takes place in the United States, it is rare and severely punished. By contrast, bribery happens with greater frequency in third world countries, and there is a feeling that it is normal practice to bribe government officials. We may succinctly define a bribery as condition in which a person, such as a government official, agrees to be paid to act as dictated by an interested party, rather than doing what is required of him in his official employment. What is central to the notion of a bribe is that an agreement is made, even if the act itself is never performed and the payment is never made. It is also central that the person being bribed implicitly agreed to abide by the rules of his government, organization, or legal system. We need to distinguish bribery from extortion, which is where an official *requires* payment to perform his otherwise normal duties. For example an agent of the FDA may extort a company by approving of a product that passes approval standards anyway. Extortion has a victim, whereas bribery has no victim. We also need to distinguish bribery from gift giving, which includes neither implicit nor explicit agreements, even if the giver intends the gift as an inducement. An official may accept a gift innocently, and sometimes genuine friendships are formed that involves exchanging gifts. Further, gift giving in foreign countries is often part of a needed business ceremony. To avoid doing wrong, the receiver of a gift needs to be confident that he remains impartial in conducting his official duties. In some occupations, such as law enforcement, established codes often forbid gifts since it is too important to risk losing impartiality through gift giving.

Although few business people publicly defend bribing officials in third world countries, there is a common attitude within multinational organizations that condones bribery on several grounds. First, there are strictly financial considerations. Payoffs can prevent delays that might otherwise throw a company into financial ruin. In a truly capitalistic environment, we need an even playing field, and if foreign businesses engage in bribery and US firms do not, then US firms will be at a competitive disadvantage and will ultimately lose to foreign business. Second, there are practical considerations owing to what appears to be the universal nature of bribery in third world countries. Often foreign government officials are so corrupt that it is virtually impossible to do business without playing by the unspoken rules. Thus, there's nothing morally wrong with participating in bribery, especially if the institution itself is in question, such as a government like Nazi Germany.

Both the financial and practical arguments above reflect a naïve view of doing business in third world countries. Bribery is in fact outlawed in every country around the world and, although bribery is more common in some foreign countries than in the United States, law enforcement officials in those countries do take bribery violations seriously and punish offenders. Americans in particular are naïve about this, as seen from the fact that, in middle east countries, American companies are involved in bribery scandals twice as often as companies from other countries. The US government also takes overseas bribery seriously. Under US law, the Foreign Corrupt Practices Act of 1977 establishes that, if caught bribing, a company may be subject to a 1 million dollar fine, and executives may be subject to \$10,000 in fines and five years in prison. These penalties are so severe that critics contend that it restricts ordinary well-intentioned business activity because of the fear business people might have of entering a gray area of activity that is actually legal. In any event, it is reasonably clear that the legal penalties of international bribery outweigh the possible business benefits.

A dramatic example of bribery naivete involves the Lockheed Corporation, which in the 1970s was caught offering a quarter of a billion dollars in bribes overseas. A major US defense contractor, Lockheed fell

on hard times for both economic and technological reasons. The US government commissioned the company to design a hybrid aircraft, but, after one crashed, the government canceled orders. Lockheed received other contracts based on bids that they made that were far lower than the cost of producing the project. As a consequence, they lost money on the projects. They tried to move into the commercial jet aircraft market by making planes with engines built by Rolls Royce. Rolls Royce went bankrupt, and Lockheed lost 300 million in canceled orders. They believed that the solution to their financial woes was to expand their overseas sales. To get the contracts, they made a series of payoffs to middlemen from various countries, including the Netherlands, Japan, Saudi Arabia, Iran, Italy, and Spain. Still on the verge of bankruptcy, they requested a loan of 200 million dollars from the US government, which meant opening their records for scrutiny. Government investigators discovered the extent of Lockheed's bribery. They also discovered that Lockheed offered bribes that totaled 10 times more than the bribes made by other US companies. Lockheed's chairman and president were forced to resign. However, to avoid compromising national defense the US government chose not to cancel its contracts with Lockheed.

Endorsing, Influencing, and Opposing Foreign Governments. Whether in the US or in foreign countries, big businesses have an intimate relation with governments. Businesses lobby for fewer regulations, lighter taxes, governmental subsidies, and access to natural resources. Businesses also depend on government offices, such as law enforcement agencies, court systems, permit offices, and transportation networks. So, when a US company sets up base in a foreign country, its interaction with government creates the possibility for unpleasant situations. Multinationals often locate in countries with repressive right wing governments since these tend to be more politically stable. By doing so, they implicitly support these governments, which would otherwise not be supported by socially conscious people. At the other end of the spectrum, sometimes multinationals find themselves in left wing countries that are hostile to the business's capitalistic interests. In these cases, the business might be tempted to oppose or even undermine that government, irrespective of the benefit that local people derive from that government's left-wing policies. Between these two extremes, there is the normal course of doing business in developing countries, which involves the normal lobbying efforts that we have here in the US. This involves at least attempting to influence governments of third world countries.

An example of the first extreme – businesses endorsing right wing governments – is the presence of American multinationals in South Africa, especially during the 1970s and 1980s. The white Apartheid government at the time endorsed a policy of what amounted to institutionalized slavery of its black citizens. Although constituting less than 10% of the country's population, the white Afrikaners controlled the vast majority of the country's economic wealth. Blacks were segregated, restricted in their speech, jobs, and movements, and constantly under threat from white policing forces. The white Afrikaners justified their Apartheid policy by arguing that it was God's plan that Afrikaners are in Africa, and it is God's plan to divide people into groups. US multinationals all recognized the inherently immoral nature of the Apartheid government and that, at minimum US businesses in South Africa needed to be sensitive to the oppressed condition of the blacks. The harshest critics, though, called for complete divestment of American business interests from South Africa. Politically, U.S. business in South Africa offered legitimacy to the Apartheid government. Economically, whatever helped South Africa's economy helped Apartheid, and divestment would cripple the South African economy. Also, American companies in South Africa had a history of civil rights abuses towards blacks.

More moderate critics maintained that companies whose products directly benefit the government should divest, such as those that make police weapons. However, companies whose products directly benefit Blacks should not divest. Companies whose products directly benefit both can go either way. For example, the Polaroid Company chose to leave South Africa since they could not control the flow of their product into government hands, such as use in passport pictures that regulated the movement of the black South Africans.

However, other businesses argued that continued American involvement in South Africa was actually a good thing. The Apartheid government was making some progress toward racial integration, and American companies would be vital sources of peaceful change. Further, US presence in South Africa would bolster its economy, which would be good for blacks since it would reduce overall unemployment and inflation, and improve education. Severing ties with South Africa would at best be a symbolic act, with little or no economic clout since all products made by U.S. firms could be bought elsewhere. In this vein, Leon Sullivan, an Afro-American on General Motors board of directors, recommended several principles for operating in South Africa. They are, (1) non-segregation in eating, restroom, and work facilities; (2) equal employment practices; (3) equal pay; (4) training programs for blacks; (5) more blacks in management; and (6) improving employees lives outside work, including housing, transportation, schooling, recreation, and health.

The situation of South Africa illustrates what can happen when American businesses set up camp in countries with oppressive right-wing governments. At the other extreme, we noted that problems also emerge when American businesses locate in countries with left-wing countries of communist leanings that are hostile to capitalist ventures. A vivid illustration of this is International Telephone and Telegraph's interference in the Chilean government during the 1970s. At the time, ITT was the 8th largest fortune 500 company, with 350,000 employees in 80 countries, including Chile. The South American country of Chile was poor, but politically stable politically. A presidential candidate named Salvador Allende campaigned on a communist platform, emphasizing the issue of land reform, and indicating a desire to take control of privately owned Chilean telephone companies because of their inefficiency. Government acquisition policies work two ways. First, a government might buy controlling shares of private companies, paying them at a fair market price. Alternatively, a government might *nationalize* or simply take ownership of the company with no compensation, as happened with private businesses in Cuba and Peru during their communist takeovers.

ITT feared the worst and tried to stop Allende from being elected, part of which involved an offer of 1 million dollars to the CIA for support. The scandal surfaced, and critics world wide attacked ITT for interfering in the activity of a foreign government. Some of ITT's property was even bombed in protest. Allende was elected anyway, and in retaliation, he nationalized ITT's Chilean property. Allende did not nationalize other firms, however, even though some had to sell the government shares of its stock. Allende was assassinated shortly after, and ITT later sued for losses.

The actions of American multinationals in foreign markets have a direct effect on the image on the U.S. itself. People around the world see the United States as an economic imperialist, ready to gobble up the resources of small foreign countries. The situation is made worse when multinationals coerce foreign governments especially in Third World countries.

Exploiting Third World Countries. Critics frequently accuse multinational corporations of exploiting the resources and workers of third world countries. Agricultural businesses often take the best land and use it for export crops, which diminishes the amount of good land that the locals can use for their own food needs. Drug companies and hazardous chemical industries take advantage of more lax safety regulations, which often results in disaster. Mining industries exploit the wealth of the country for only a few rich landowners. Since many of these natural resources are in finite supply, developing countries have little hope of relying on them for future security once they are used up. Banks and financial institutions do not hire the local people, yet these businesses benefit by bringing in local money. Manufacturing and service industries introduce poverty to many areas by attracting more people to a factory than they can employ. They typically pay much less to third world employees than to Americans, which suggest a double standard of labor value. If they pay wages to third world employees that are higher than what indigenous businesses can pay, then they attract the best workers, which hurts employers in surrounding businesses. Also, all of the above types of businesses destroy the local culture by introducing an American climate.

Two cases illustrate the disastrous effects of exploiting third world countries. In 1984, a pesticide

factory owned by Union Carbide in Bhopal India exploded killing 2,500 people and injuring and additional 300,000 people. With a population of 700,000 people, Bhopal is the capital of Madhya Pradesh, one of India's poorest and least developed states. The city is geographically divided between rich and poor sections, with the factory located in the poor section. Although it was a multinational, Indian investors owned almost half of the shares of the Indian plant, and Indians operated the plant. The active ingredient for the pesticide was stored in 600 gallon tanks. The size of the tanks themselves was a problem. Larger tanks are economically efficient since they hold more gas, but they pose greater risks in case of a tank leak. For his reason, regulations in Germany required a similar Union Carbide plant in that company to restrict its tank size to 100 gallons. The tank that exploded in the Indian plant was supposed to be refrigerated to zero degrees centigrade; instead the refrigeration unit was not working and it was at room temperature. Although the Indian factory had safety features to prevent disasters, several of the safety systems were not functioning. The temperature alarm was shut down; the gas scrubber was shut off, which was supposed to neutralize escaped gas; and a flare tower was out of service, which was supposed to burn escaped gas.

The explosion started when someone added water to a 600 gallon tank of the chemical, perhaps done as an act of sabotage by a disgruntled employee. The temperature in the tank rose in a chain reaction, and the tank blew up. A fog of the gas drifted through the streets of Bhopal, killing people on the spots that they stood. Long term medical problems for the survivors included respiratory ailments and neurological damage. The Indian government quickly arrested plant managers and eventually spent 40 million on various disaster relief projects. Union Carbide Stock plummeted with losses totaling almost a billion-dollars; Union Carbide sales were also impacted for several years. The company eventually paid half a billion dollars to victims. Although the US parent company acted quickly and compassionately to the disaster, the tragedy raised serious questions about the parent company's views on safety in third world countries. Even though Indians ran the Bhopal plant, Union Carbide's laissez-faire policy of decentralizing subsidiaries was not appropriate in matters of safety. The tragic lesson is that multinational should follow U.S. safety standards worldwide, and should not give cost cutting the highest priority.

A second case illustrating exploitation in third world countries concerns the tobacco industry. Information about the atrocious activities of US tobacco companies over the years is continually being made public. As deceptive and uncaring as they have been in the US, they are even worse in third world countries. In developed countries, tobacco tar levels have decreased, but in third world countries they have increased. Almost all developed countries have tobacco legislation, and less than half the third world countries do, which is partly the result of cigarette companies' heavy lobbying efforts. Without restrictions to cigarette production, advertising and sales, cigarette companies expand the bounds of third world markets with no thought of the health hazards they create for consumers. In Argentina, for example, tobacco companies buy 20% of all advertising time. Thus, although cigarette smoking is on a decline in developed countries, it is on a rise in third world countries and, globally, cigarette consumption is growing faster than population. US tobacco companies create strong incentives for local growers to shift to tobacco production by paying startup costs to farmers, underwriting loans, and guaranteeing purchases. By growing tobacco, less acreage is available for domestic food production, which particularly bad in countries with large numbers of people living at subsistence levels. There are also ecological effects of flue-cured tobacco production that requires fire. In third world countries, wood fires are a main method for curing tobacco, which requires one tree for every 300 cigarettes. This bad since firewood accounts for 90% of the heating and cooking fuel in developing countries.

There are three basic positions to take on the problem of businesses exploiting third world countries. The harshest critics of third world exploitation argue that we should just stay out of third world countries altogether, and let those countries manage their resources as they see fit for themselves. Although well intended, this position is unrealistic especially in view of the growing economic interdependence of countries around the world. Most large companies today have multinational interests, and, if anything, these interests

will increase. This position is also undesirable from the standpoint of the interests of the third world countries themselves. Isolationist economic policies are typically ineffective. If a third world country blocks off outside capitalist ventures, outside countries are less inspired to support the business ventures of that third world country.

On the other extreme, some business people argue that, although issues of exploitation are sociologically interesting, they are not moral issues. On this view, we should not equate US standards with universal moral standards. For example, FDA, OSHA, and minimum wage standards are good, but not morally required of all businesses around the world. Further, local governments in the host country must also accept responsibility for what happens, especially when they require some control of the company. Governments by and large set the agenda for what businesses can and cannot do. By accepting control, they also accept responsibility.

A third and middle ground position on exploitation is that multinationals from rich countries can operate effectively in third world countries when adhering to basic moral principles. In the next section we will look at some suggested moral principles for multinationals.

Cultural Relativism and Universal Moral Principles. The above-discussed problems of interference in foreign government, bribery, and exploitation all raise a range of ethical questions, perhaps the most important is whether companies should adopt the attitude that “When in Rome, do as the Romans.” This is the issue of *cultural relativism*, namely, whether moral values vary from society to society. Cultural relativism implies that moral values are completely defined by cultural contexts, and there is no universal standard of morality that applies to all people at all times. As long as we stay within our own cultural environment, this is no problem since we simply act morally as our society dictates. However, multinationals face the problem of relativism directly by placing one foot in the moral context of American culture, and another foot in the moral context of a foreign culture. Driven by the profit motive, multinationals will be tempted to adopt the least costly moral principles that a given cultural context will allow.

Is cultural relativism true? Philosophers have debated this question for over two thousand years. Many cultural practices are unquestionably shaped by cultural environments, such as rules requiring women to covering their heads in public, and prohibitions against drinking alcohol or eating types of meat. However, there seem to be some foundational principles that appear uniformly, such as obligations to care for one’s children and elderly parents, prohibitions against assault, rape, stealing, and murder. Some philosophers argue that these principles appear universally in societies since, without them, a society simply could not continue. For example, if a society permitted murder, we would all move out of town and live in seclusion. Also, philosophers point out that many seemingly diverse standards of behavior in fact reflect common values. For example, some cultures kill their elderly, which is a practice that we find abhorrent. However, putting the elderly to death is based on the principle that children should see to the happiness of their parents, and this is a principle that we too have.

So, if we grant that there is some commonality to moral values around the world, then, to that extent, multinationals have moral responsibilities that cross cultural boundaries. Philosopher Norman Bowie recommends three universal moral standards that are appropriate to the activities of multinationals. First, multinationals should follow the norms that constitute a moral minimum, which are advocated in all societies. Second, multinationals should follow principles of honesty and trust, which are moral norms of the market place. These are required as foundational for any business operations, and the systematic violation of moral norms of the marketplace would be self-defeating. Third, multinationals should not violate human rights, such as basic liberty rights. Business depends on economic liberty, which is part of political and civil liberty in general. So, if we accept economic liberty, we must accept the whole liberty package. This means that businesses should not operate in countries with human rights violations unless they can be catalysts for democratic reform.

Philosopher Richard T. De George offers a more specific set of guidelines for the following:

- Do no intentional direct harm to the host country
- Produce more good than bad for the host country
- Contribute to the host country's development
- Respect the human rights of its employees
- Pay one's fair share of taxes
- Respect the local culture and work with it
- Cooperate when local governments reform social institutions, such as land and tax reform.

De George believes that third world countries lack adequate background institutions, such as regulatory agencies, which makes it all the more necessary for businesses to adhere to moral standards.

In view of how strong the profit motive is to businesses, we may wonder how realistic many of these cross-cultural moral principles are. Until a few hundred years ago, most philosophers believed that moral principles were pretty useless unless people believed in God and were afraid that God would punish them for evil deeds. In more recent times, social contract theorists argue that fear of punishment from governments is the only thing that will motivate us to follow moral principles. Perhaps we can generalize from these views and say that we may not follow even the best moral principles unless an external authority monitors our actions and punishes us when we go wrong. We can see the moral responsibility of multinationals in the same light. There are reasonable moral guidelines that multinationals should follow, such as those offered by Bowie and De George, which managers of multinationals can probably figure out on their own. Without an external monitoring authority, though, businesses may set them aside for reasons of profit. Fortunately, several external mechanisms are already in place to punish irresponsible multinationals. News organizations, the United Nations, international human rights groups, and environmental groups all take special interests in seeing that multinationals live up to high standards. All of these organizations have limited clout, though, and rely mainly on the threat of bad publicity to bring about change. But even this is effective since most large businesses believe that their reputation is their biggest asset.

Study Questions for “Doing Business in Foreign Countries”

Bribery in Third World Countries

- (1) What is the definition of bribery, and how does it differ from extortion and gift giving?
- (2) What are the two main arguments usually given in favor of bribery?
- (3) What is the main problem with both of the arguments for bribery?
- (4) What penalty did Lockheed pay when it was caught in a bribery scandal?

Endorsing, Influencing, and Opposing Foreign Governments

- (5) What problems might arise when a multinational sets up in right-wing country and left wing foreign countries respectively?
- (6) During the 1970s and 1980s, some critics argued that US companies should leave South Africa. What were some of their reasons?
- (7) What were the negative consequences of ITT interfering in Chile's government in the 1970s?

Exploiting Third World Countries.

- (8) What are some ways that multinationals exploit third world countries?
- (9) What were the principal irresponsible actions of Union Carbide in the Bhopal explosion?
- (10) What actions of the Tobacco companies in third world countries are especially exploitive?
- (11) What reasons do some multinationals give for not abiding by US standards in third world countries?

Cultural Relativism and Universal Moral Principles

- (12) Define cultural relativism
- (13) What are some moral values that seem to be held by all cultures?
- (14) What are Norman Bowie's three recommended moral principles for multinationals?
- (15) What external monitoring organizations help assure that multinationals act responsibly?

3. BUSINESS AND THE ENVIRONMENT

The greatest damage done to the environment is inflicted by business and industry, and not from domestic activities. Businesses extract the greatest tolls in terms of energy consumption, toxic waste, air and water pollution, and deforestation. Increasing amounts of industrial toxic waste contaminates ground water, which in turn becomes harmful for human consumption. Oil spills from petroleum industries destroy shorelines and kill millions of sea animals. The burning of fossil fuels such as oil, gas and coal produces excess carbon dioxide, which adds to global warming through a greenhouse effect. Fluorocarbon gasses used in making domestic products such as refrigerators and styrofoam depletes the earth's ozone layer, which shields the earth from the sun's life-destroying ultraviolet rays. Some of these problems are expensive nuisances, such as oil spills and toxic waste. Others, though, threaten the survival of life on our planet, such as carbon dioxide production and the release of fluorocarbon gasses. In this chapter we will look at some of the causes of environmental irresponsibility in businesses, and some theories about why businesses should be more responsible.

Businesses' Resistance to Environmental Responsibility. Although businesses don't consciously set out to harm the environment, several factors create an unfortunate situation, which in many cases is worse than it needs to be. First, large businesses and industries are inherently imposing on nature. They take pieces of nature and reshape them into things that didn't exist before, such as automobiles, skyscrapers, television sets and shopping malls. Not only are the end products artificial, and in that sense unnatural, but the means of producing these things are taxing on natural resources. Second, it is easy to disregard natural resources that are held in common and seem abundant, such as air and water. It doesn't seem wrong to pollute the air if, technically, no one owns the air and the particular damage that I do isn't too noticeable. Environmentalists sometimes refer to this phenomenon as a *tragedy of the commons*, that is, a disaster that happens to things that are held in common. Given the size and complexity of businesses in industrial countries, such as the US, it is not surprising that they contribute heavily to this tragedy.

Third, businesses are driven by the motive to make a profit. Stockholders demand a return on their investment, and this mandate transfers down through the management hierarchy. Part of making a profit is to reduce costs, and environmental responsibility is highly costly, with few immediate financial rewards. Finally, government environmental watchdog agencies, such as the Environmental Protection Agency, are limited in what they can do in imposing restrictions on businesses. To protect their financial interests, businesses lobby for support at all levels of government, and agencies such as the EPA must be politically compromising. Agencies such as the EPA say that they know that they do their jobs correctly when everyone is angry with them. That is, businesses feel that the EPA restricts them too much, and environmental advocates such as the Sierra Club will feel that the EPA does too little to protect the environment.

On a global level, many of the environmental offenders are businesses in third world countries. Underdeveloped countries are trying to catch up to the economic level of industrialized countries, and certainly have a right to do so. However, they cannot play catch up in a way that is both economically feasible and environmentally responsible. Maintaining a balance between economic development and energy conservation is far more difficult for poorer countries than it is for wealthier ones. For example, developed

countries can shift to energy sources that give off less pollution, but developing countries cannot do so easily. Environmental problems are intensified in third world countries because of growth in population, which doubles about every 70 years. Increased population places increased demand on the utilization of land, which, in turn, leads to deforestation. It is not effective to simply encourage developing countries to do better. Recommendations from world organizations, such as the United Nations, have only limited leverage. Sometimes developed countries, such as the United States, try to assist developing countries by offering them free technology. But this is only partially effective.

Since the 1960's, our society has become increasingly more environmentally conscious, and now we simply take it for granted that we all are responsible for maintaining the integrity of the environment. However, conservative businesses people commonly feel that their responsibility to the environment is limited. Typically, they give two distinct arguments for their views. First, they argue that businesses do not have an obligation to protect the environment above what the law requires. Although laws are strict concerning environmental regulation, they are not perfect and they allow for many kinds of environment judgement calls. If businesses showed special concern for the environment beyond what the law requires, then this would interfere with their ability to compete. Ultimately, they argue, environmental responsibility rests with consumers. If consumers are not interested in favoring businesses that have environmentally friendly policies, then it is not up to businesses to champion environmental policies on their own. The problem with this view is that environmental responsibility cannot be left to what consumers are willing to tolerate. Most consumers will be attracted to the least expensive consumer products, irrespective of moral considerations surrounding the manufacturing of those products. Even if I knew that a pair of tennis shoes was manufactured in a third world sweatshop, my purchase decision might still be motivated only by the price tag. This is so too with my motivation to purchase products that are manufactured by environmentally unfriendly companies. In a sense, businesses need to save consumers from succumbing to their most thrifty inclinations.

Second, if businesses agree that they have an environmental responsibility beyond what the law requires, they often take a "good ethics is good business" approach and emphasize areas of environmental responsibility that will generate a profit. For example, they might push recycling, which they can indicate on their packaging and thereby attract environmentally conscious consumers. They might also update older energy-hungry heating or production units if the investment has the right payoff. However, as noted above, what is best for the environment is not always financially best for business. When cases of conflict arise between the environment and profit motive, the "good ethics is good business" approach quickly appears deceptive and shallow.

Examples of Environmentally unsound Business Practices. Although most companies are guilty of varying degrees of environmental irresponsibility, some extreme cases vividly illustrate irresponsibility at its worst. A first case involves resistance to air pollution control measures. In the early 1950s, Union Carbide built a series of metal and chemical plants in the Ohio valley, between Ohio and West Virginia. Mountains on both sides of the valley trap in soot, ash, and other air pollutants, which resulted in increased incidents of respiratory disease among local residents. During the 1960s, Union Carbide refuse to participate public discussions about the problem and ignored a governmental request for an on site inspection. The company soon became a symbol of corporate resistance to pollution control. Part of their resistance owes to the fact that the environment was not an issue in the 1950s and new pollution control measures were both expensive and untested. Also, Union Carbide was less susceptible to consumer boycotts since only 20% of its products were direct consumer goods that we might purchase in a department store, such as antifreeze. In 1970s they became the target of the investigation by the newly formed Environmental Protection Agency, which instructed Union Carbide on several pollution control measures. Union Carbide responded by shutting down a boiler plant and laying off workers, claiming that was the only way they could comply with the required

pollution reduction. Critics charged that Union Carbide's tactics amounted to environmental blackmail, threatening to cut jobs if they had to be environmentally responsible. Ultimately, Union Carbide restructured their company and adhered to pollution control standards.

A second case of environmental irresponsibility involves nuclear power accidents. There are currently around 400 nuclear power plants world wide, providing about 15% of the world's electricity. For the past few decades, the nuclear power industry has been under attack by environmentalists and few new plants have been started. Ironically, the original intent of nuclear power was to provide a safe, clean, and cheap alternative to coal and oil, which are notoriously damaging to the environment. Nuclear power produces no smoke or carbon dioxide, and only harmless steam. It also doesn't require environmentally intrusive mining or drilling efforts. Two major disasters contributed to the now tarnished image of the nuclear power industry, both the result of safety violations and human error. First occurred at the Three Mile Island nuclear power plant in Harrisburg, Pennsylvania. In 1979, a series of mechanical and human failures contributed to a partial core meltdown to one of its reactors. Radiation was released into the local community, and, although connections with health problems were difficult to prove, a family of a Down's Syndrome child received 1 million dollars in compensation. A much more serious nuclear power disaster occurred in 1986 in the Ukrainian city of Chernobyl, then part of the Soviet Union. Partly from negligence and partly from design problems, a steam explosion and fires threw tons of radioactive material into the environment. 31 people were killed and 1,000 injured from direct exposure to radioactive material by means of inhaling radioactive gasses and dust, and ingesting contaminated food or water. 135,000 people were evacuated from the surrounding area, hundreds of square miles of land was contaminated, and the long term health effects of the accident are still being assessed. Financial losses reached \$3 billion, and countries throughout Europe claimed losses into the hundreds of millions of dollars.

Although the Soviet government owned the Chernobyl plant -- and not private industry -- the disaster had a decisive impact on the entire nuclear power industry. In addition to the risks of catastrophic disasters such as Chernobyl, nuclear power plants create other environmental problems that involve nuclear waste disposal. Nuclear waste is deadly to animal life, and remains toxic for a very long time. After Three Mile Island and Chernobyl, critics called for a moratorium on the construction all future nuclear power plants, and a systematic closing of the ones currently in use. Defenders, though, argue that nuclear energy is necessary in view of the limitations of alternative energy sources, such as coal, oil, and solar technology. They also argue that nuclear waste sites need to confine wastes for only a few thousand years since after 1,000 years the ingestion toxicity is comparable to that of the original uranium from which the wastes were derived. Finally, defenders say that we can reasonably expect a decrease in nuclear accidents even if we increase nuclear power use, similar to how airline travel has increased while their accident rate has decreased. Defenders recommend that clustered reactors provide better operational support, security, and handling of wastes.

A third and final case of environmental disaster involves large-scale oil spills. In 1989, an Exxon oil tanker called the Valdez struck a reef in Alaska's Prince William Sound and created the largest crude oil spill in US waters. The captain of the ship, 42 year old Joseph Hazelwood, was with Exxon for 20 years. He had a reputation as a drinker, which some departments at Exxon knew about, and at the time of the disaster his blood alcohol level was .06. The tanker trip was part of a routine convoy from Alaska to Long Beach California that was successfully made by other tankers over 8,000 times. Hazelwood assigned the piloting of the vessel to a less experienced officer and then retired to his quarters. Icebergs were in the path of the ship, which an ineffective radar system failed to detect earlier. The ship was so large that it took a full minute to respond to steering changes. Attempting to navigate around an iceberg, the piloting officer miscalculated and ran the ship into a reef. Oil poured from the ship and, when the weather changed, it sloshed onto the beaches for hundreds of miles. Initially viewing it as only a public relations problem, Exxon was slow to respond with cleanup efforts, which made the situation worse. The spill had a terrible impact on plant and animal life in the area, which the news media vividly captured in pictures and on television. The cleanup was also expensive;

the average cost of rehabilitating a seal was \$80,000. Hazelwood was ultimately fired for not being on the bridge at the time of the disaster and was convicted of negligent discharge of oil, with a punishment of 1000 hours of community service in the cleanup. Exxon paid in excess of 2 billion dollars in the cleanup efforts and, just as significantly, suffered an almost irreplaceable loss of reputation because of the disaster. 40,000 Exxon credit card holders destroyed their cards.

Three Philosophical Theories of Environmental Responsibility. As noted earlier, some businesses argue that their environmental responsibility is confined to what the law requires and what will yield a profit. However, ethicists typically argue that businesses need to look beyond profit motive and legal regulations to find more persuasive reasons for environmental responsibility. We will consider three of these theories, each of which yields substantially different conclusions about the environmental responsibility of businesses.

The first of these theories is *anthropocentric*, or human centered. Environmental anthropocentrism is the view that all environmental responsibility is derived from human interests alone. The assumption here is that only human beings are morally significant persons and have a direct moral standing. Since the environment is crucial to human well-being and human survival, then we have an indirect duty towards the environment, that is, a duty that is derived from human interests. This involves the duty to assure that the earth remains environmentally hospitable for supporting human life, and that its beauty and resources are preserved so human life on earth continues to be pleasant. Some have argued that our indirect environmental duties derive both from the immediate benefit which living people receive from the environment, and the benefit that future generations of people will receive. But, critics have maintained that since future generations of people do not yet exist, then, strictly speaking, they cannot have rights any more than a dead person can have rights. Nevertheless, both parties to this dispute acknowledge that environmental concern derives solely from human interests.

A second general approach to environmental responsibility is to base it on the moral consideration that we owe to animals, a position that we will call the *animal rights view*. On this view, higher animals qualify as morally significant creatures, such as dogs, cats, cows, horses, pigs, dolphins, and chimpanzees. Animal rights advocate Peter Singer goes a step further and argues that even lower animals, such as chickens, deserve equal moral consideration insofar as they are capable of experiencing physical pleasure and pain, just as humans are. For Singer, the mistreatment of animals is analogous to racism and slavery since it gives unequal treatment to beings with equal interests. Singer describes this inequity toward animals as *speciesism*. Our responsibility toward the environment, then, hinges on the environmental interests of animals, either higher or lower, as well as the environmental interests of humans. Thus, environmental responsibility derives from the interest of all morally significant persons, which includes both humans and at least some animals.

The third theory is that of *ecocentrism*, which is that we have direct responsibilities to environmental collections, such as animal species and rain forests, just as we have direct responsibilities to humans. Even if there is no direct human consequence of destroying environmental collections, we still have a moral responsibility to those collections anyway. Ecocentrists use various terms to express this direct responsibility to the environment. They suggest that the environment has *direct rights*, that it qualifies for *moral personhood*, that it is deserving of a *direct duty*, and that it has *inherent worth*. Common to all of these claims, though, is the position that the environment by itself is on a moral par with humans. Aldo Leopold first articulated ecocentrism in his highly influential essay "The Land Ethic" (1949). Leopold explains that morality evolved over the millennia. The earliest notions of morality regulated conduct between individuals, as reflected in the Ten Commandments. Later notions regulated conduct between an individual and society, as reflected in the Golden Rule. Leopold argues that we are on the brink of a new advance in morality that regulates conduct between humans and the environment. He calls this final phase *the land ethic*. For all three of these phases in the evolution of ethics, the main premise of morality is that the individual is a member of a community of interdependent parts. For Leopold, "The land ethic simply enlarges the boundaries of the

community to include soils, waters, plants, and animals, or collectively: the land." This involves a radical shift in how humans perceive themselves in relation to the environment. Originally we saw ourselves as conquerors of the land. Now we need to see ourselves as members of a community that also includes the land.

Implications for Businesses. Each of the above theories has different implications on business's responsibility to the environment. From the anthropocentric perspective, businesses have an obligation not to damage the environment in ways that negatively impact on human life. From the animal rights perspective, businesses have an obligation to avoid harming animals either directly or indirectly. They need to avoid harming animals directly, such as they might do through animal testing, or inhumane food production techniques. They need to avoid harming animals indirectly, such as they might do by destroying animal environments. For example, we should not control pests through poisoning, since this causes animals to suffer; instead we should prefer a sterility chemical. This is especially pertinent given that the environment is the immediate habitat of animals, and damage to the environment harms animals more than it harms humans. Finally, from the ecocentrist perspective, businesses have a direct obligation to protect the environment since it is wrong to harm members of the moral community, and the environment is a member of the moral community.

In many cases the anthropocentric, animal rights, and ecocentric interests overlap. For example, toxic waste, air and water pollution, excess carbon dioxide, and release of fluorocarbons equally affect humans, animals, and environmental collections. In many cases, though, the interests of the three do not overlap. For example, sometimes when businesses are found legally responsible for polluting a stream, several corrective options may be open to them. First, they may restore the stream, which costs a lot of money, or they may pay off a community in compensation for living with the polluted stream, which might cost them less money. Although the anthropocentrist will be satisfied with paying off the community, this would not touch the concerns of the animal rights and ecocentrist. To use another example, suppose that a business considered building a factory on a site that, if constructed, would destroy a breeding ground for birds. Typically, from the anthropocentrist position, the business would only need to take into account the recreational value that the bird breeding ground would have to human bird watchers. For the animal rights advocate and ecocentrist, though, this reasoning ignores the needs of animals and the integrity of the ecosystem itself.

In view of these various theories of environmental obligation, what should businesses do? First, businesses will automatically be bound by the environmental regulations that are required by law. Although this covers much ground, it doesn't cover everything. Second, businesses should at least be sensitive to environmental concerns from both the anthropocentric and animal rights perspectives. Animal rights and environmental lobby groups today are becoming increasingly more influential, and, as a matter of good public relations and even survival, companies need to take this into account. Many environmental problems lend themselves to graphic portrayal by the media -- such as sea animals covered in oil -- which intensifies negative public opinion towards a company. If companies don't respond properly, they appear arrogant and uncaring, which greatly harms their reputation.

Study Questions for "Business and the Environment"

Introduction

(1) What are some of the life threatening environmental issues connected with business and industry?

Businesses' Resistance to Environmental Responsibility

(2) What are the four reasons why businesses have such a negative impact on the environment?

(3) Why do many businesses in third world countries pose big environmental problems?

(4) What is wrong with businesses saying that their environmental responsibility is confined to what the law requires?

- (5) What is wrong with businesses saying that their environmental responsibility is linked with what will generate a profit?

Examples of Environmentally unsound Business Practices

- (6) What is “environmental blackmail”?
- (7) What are some of the environmental problems associated with nuclear power plants?
- (8) What reasons do some people give in defense of nuclear power plants?
- (9) What were some of the negative consequences for Exxon resulting from the Valdez accident?

Three Philosophical Theories of Environmental Responsibility

- (10) What is the basis of our environmental responsibility according to anthropocentrism?
- (11) What is speciesism?
- (12) What is the basis of our environmental responsibility according to ecocentrism?

Implications for Businesses

- (13) On what environmental issues do anthropocentrism, animal rights, and ecocentrism overlap?
- (14) Why should businesses be sensitive to environmental concerns from the anthropocentric and animal rights perspectives?