

The Review questions can be used as a basis for seminar discussion.

Review Questions

1. Explain what commentators mean when they claim that the only responsibility of business is to make as much money as possible for their owners.

This question can be tackled in a variety of ways but a good starting point is to get students to think about why we have businesses at all, i.e. the fundamental purpose of business from the point of view of society rather than the individual. This should develop into a discussion about the economic system and the function and working of markets (using slide 4 in the PowerPoint presentation). From there a discussion about the different types of business might follow; how corporations differ from other types of business and whether this makes a difference. Students should then raise and discuss each of Friedman's arguments in supporting the statement.

2. 'Socially responsible business is good business.' Discuss

Businesses have an obligation to make profits and CSR often entails costs which in the short-term may reduce profit but can have long-term benefits leading to a competitive advantage. This question seeks to look for a more positive view of CSR rather than the negative or short-term view of CSR taken in question 1. It asks students to identify what those long-term benefits might be from a business point of view.

The main benefits (according to the Doughty Centre for Corporate Responsibility 2011) are listed on pp. 156–7.

Students might also refer to Carroll and Shabana (2010), 'The Business case for Corporate Social Responsibility: A Review of Concepts, Research and Practice'. *International Journal of Management Reviews*.

3. Explain what is meant by child labour. What might the consequences be for a major Western firm discovered employing young children in overseas factories?

The purpose of the first part of this question is to distinguish between different forms of child work not all of which is considered harmful. Work which does not damage health or schooling is often considered positive in (at least by the ILO) developing skills and experience for adult life. From this a discussion about child labour could be developed using both utilitarian and rights arguments.

As to the importance of managing child labour responsibly students might be directed to the BBC website at:

<http://news.bbc.co.uk/1/hi/magazine/7468927.stm>.

In this article from 2008 Primark is exposed over the use of child labour and the question is asked 'do UK shoppers care?' The answer they say is a resounding yes which is why many firms, such as Marks and Spencer have developed ethical sourcing policies.

See also <https://www.theguardian.com/commentisfree/2018/jun/26/child-labour-tobacco-fields-multinationals-life-chances-destroyed>, an article about child labour in the tobacco industry and also the case in the chapter about the Global Cocoa industry.

Students might also be directed to the UNICEF site:

<https://www.unicef.org/>

4. Explore the links between the Global Compact and the Sustainable Development Goals. (See UN Global Compact White Paper on the UN Global compact ten principles and the Sustainable Development Goals, available at: https://www.unglobalcompact.org/docs/about_the_gc/White_Paper_Principles_SDGs.pdf.)

Students will need to start by explaining what the Global Compact (GC) is, what areas it covers and that it is intended as a code to guide best practice in the four areas of human rights, labour standards, the environment, and anti-corruption. Similarly, they will need to explain the SDGs, what they are, how they have evolved, and what they are intended to achieve.

One fear of the UN is that organizations may be quick to jump on the opportunities offered by the SDGs, and the trillions of dollars of public and private investment likely to be aimed at their achievement, without paying due attention to the possible negative consequences of their actions. The purpose of this question is for students to explore the links between the GC and the SDGs and discover how companies can embed the guiding principles of the GC into their strategies aimed at achieving some aspect of the SDGs and so reduce or eliminate those negative consequences. It might be easier for students to take a company such as Unilever and follow through one element of its activities and see how this relates to both the SDGs and the GC.

Students should access the website above and also

<https://www.unglobalcompact.org/what-is-gc>, and <https://www.unilever.com/sustainable-living/our-strategy/un-sustainable-development-goals/>