

From MP3 Players to Business Ethics



NSS Ethics and Religious Studies Curriculum
Supporting Materials

Personal and Social Issues :
Business and Economic Ethics

Introduction

Ethics and Religious Studies (ERS) is one of the electives in the senior secondary curriculum. It is built on the *Religious Studies (Christianity) Curriculum for Secondary 4-5* (implemented in 1998), *Buddhist Studies* (HKCE Examination Syllabus) and the *Advanced Supplementary Level Ethics and Religious Studies Curriculum* (implemented in 2001). It also follows the general direction set out in the *Personal, Social and Humanities Education Key Learning Area Curriculum Guide (Primary 1- Secondary 3)* (CDC, 2002) and extends the prior knowledge, skills and values and attitudes students developed through the Personal, Social and Humanities Education (PSHE) curriculum in basic education.

The *NSS Ethics and Religious Studies Curriculum Supporting Materials: Personal and Social Issues-Business and Economic Ethics* is part of a series of learning and teaching materials being developed by the Curriculum Development Institute for the implementation of the ERS.

Schools are encouraged to adapt the materials for educational use according to their contexts. NO part of the documents shall be duplicated for commercial purpose.

We welcome feedback and suggestions from teachers. Please send them to:

Chief Curriculum Development Officer
(Personal, Social and Humanities Education)
Curriculum Development Institute
Education Bureau
13/F Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

or by email to pshe@edb.gov.hk or by fax on 2573 5299 / 2575 4318

For further enquiries, please contact the PSHE Section, Curriculum Development Institute on 2892 5475 or 2892 5860.

Issue: From MP3 players to Business Ethics

Topic: Business and Economic Ethics

Related concepts:

Justice/ fairness/ equality,
social responsibilities of
corporations, advertising,
pollution and consumerism,
global village and
sustainability

Objectives:

1. Let students determine the reliability of the messages transmitted by the advertisement, so as to reflect upon the professional conduct which advertisers should have processed;
2. Let students understand what is meant by “fair trade” (c.f. Appendix - “Glossary”);
3. Let students reflect upon the responsibilities of corporations towards the society and the world.

Knowledge	Skills	Values and Attitudes
<ul style="list-style-type: none">• To understand what is meant by Business and Economic Ethics and to know more about the related concepts (e.g. justice/ fairness/ equality, professional conduct, corporations and social responsibilities, reasonable profit etc.)• To analyse and determine the rights and wrongs in the discussed topics	<ul style="list-style-type: none">• Critical thinking skills• Problem Solving skills• Collaboration skills• Communication skills	<ul style="list-style-type: none">• Justice/ fairness/ equality• Social responsibilities• Environmental protection



Introduction:



This teaching plan aims to explore 3 topics in Ethics using MP3 players as the subject:

1. Business and ethical concern in advertising;
2. Economic and moral principles for the distribution of profit;
3. Corporations' responsibility to protect the environment.

Moreover, this teaching plan also aims to guide the teacher to correlate different Ethics topics with one another. Teacher can make adjustment according to any need in teaching and the nature of students.

When an entrepreneur wants to sell a brand new product, say an MP3 player, his/her major concern is to maximize its sales to earn the highest profit. The manufacturer will make use of different opportunities, such as advertising, to attract sales. In the business world, the most common consideration is whether the advertisement can show the features and the selling point of the products and boost the consumer spending. In Ethics, however, the consideration would be whether the advertisement reflects the truth and how it affects human life; whether the advertising strategies are morally correct (does the advertisement involve cheating the consumers). Entrepreneurs have to spend a lot on advertising. But this is not the only consideration. In ethics, corporations have to be honest to the consumers and the shareholders and to bear social responsibilities. Business is business. It seems that the sole responsibility of a corporation is to earn its share of reasonable profit. But in terms of ethics, ***economical and ethical principles about profit distribution*** should be considered as well, such as to understand its motives and social responsibilities while earning profit, to ensure fair competition among corporations, and to treat the employees justly. They should always be alert to their ethical responsibilities.

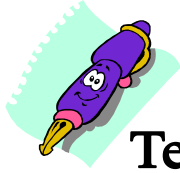
A lot of electronic devices companies are transnational corporations. In order to maximize profit, production cost has to be reduced. Due to globalization, a lot of profit-seeking transnational corporations set up factories and assembly lines in the Third World countries, which may result in facing ethical issues such as corporation's responsibility on protecting the workers' rights; ***Environmental Protection***. Business ethics aim to explore the relation between consumption and pollution, and to evaluate how material values affect the society and the environment. Another ethical consideration is that exploitation of the Third World countries may affect the ***sustainable development*** there, creating the conflict between economic development and environmental conservation which needs a solution.

Time allocation: 3 Periods

Period 1: The Reliability of Advertisement

Teaching Strategy:

1. Ask the students, “Among all of you, who have got MP3 players?” After gathering the statistics, invite students to talk about what they took into consideration when they bought the devices. Record the criteria on the board (a student may be invited to help the teacher).
2. Divide the class into groups with 4-5 students. Each group represents a creative director of a different company commissioned by a transnational corporation manufacturing audio/visual (A/V) devices. Each group has to create an advertisement to promote the MP3 player (Worksheet 1: “MP3 Player Advertisement”). Teacher has to remind students to aim at consumers’ preference (c.f. the criteria recorded on the board) when creating the advertisement.
3. Invite the groups to do presentations on their advertisements.
4. Teacher plays the role of the CEO of the transnational corporation. Choose and present prizes to the best group.
5. Facilitate discussion among students:
 - What are the concerns when designing an advertisement? How to stimulate the consumers’ desire? What kind of stunts make the product stands out? In what ways the functions of the product and its advantages can be highlighted? Ever doubt the reliability of the advertisements?
 - What makes an advertisement good? Is the advertiser responsible for being honest about the goods and bads of a product? What kind of professional conduct is expected from the advertiser? (Please refer to Guidelines on Misleading or Deceptive Conduct under Section 7M of the Telecommunications Ordinance 〈Cap 106〉
http://www.ofta.gov.hk/en/legislation/guideline_6d_1/main.html)
 - Do you believe in what the advertisement tells you? How to determine its reliability?
6. Lastly, ask students to collect some ads with over-exaggerated descriptions or undesirable themes. The advertisements will be used for the discussion next period.



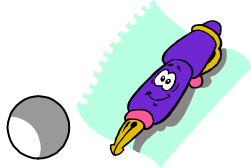
Period 2: Fair Distribution of Profit?

Teaching Strategy:

1. Invite students to take out the advertisements with over-exaggerated descriptions or undesirable themes. Ask some students to share the ads they have collected to the whole class or among themselves.
2. Ask students “When a product is being sold, who else can share the profit apart from the advertiser? Record their answers on the board (a student may be invited to help the teacher) and give them suggestions. Suggested answers: raw materials supplier, scientific research company, product designer, worker, brand-holder, exporters, logistic company, spokesperson, merchandiser, retailers...)
3. Divide the students into 5 groups and distribute a role card to each group (role card 1-5):
 - MP3 Research Company/ Worker/ Brand-holder/ Spokesperson of the product in the advertisement/ Retailer

Discussion: Say the selling price of an MP3 player is \$600, how much profit should you get and why?

4. Let the students do the presentations.
5. Show the students the “Actual Distribution of Profit” and ask them whether such distribution is reasonable and fair.
6. Facilitate an open forum and ask each person, according to his/her role, to convince others why he/she deserves the share of profit.
7. Raise the question “Are there any other ways to strive for the reasonable profit if no mutual agreement among the parties can be reached?” Ask the students to work on Worksheet 2: “Strive for Reasonable Profit” and do a presentation afterwards.
8. Conclusion: From the economical point of view, the brand-holder bears most risks because it invests the most. That is why most of the profit goes to the brand-holder. Moreover, it is reasonable for the company to seek ways so as to produce at the lowest cost (includes the lowest wages) and earn the greatest amount of benefit. However, in ethics, a corporation is also responsible for taking care of the workers and considering the benefits to the society. Exploitation of any kind should be avoided.



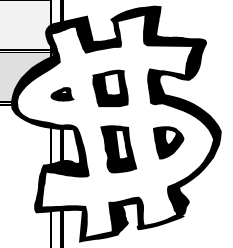
Period 3: Responsibilities of Corporations & Environmental Protection

Teaching Strategy:

1. Divide the class into 3 groups and distribute a situation card (situation card 1-3) to each group. Each group should prepare a 3-minute drama according to the situation.
2. Invite the groups take turn to perform.
3. Facilitate discussion among students:
4. Who benefits and who suffers in the 3 situations? Why?
5. As a profit-seeking organization, does a corporation have the responsibility to protect the nature and the locals? Why?
6. What obligations does a corporation have towards the society and the world? Why?
7. What can the corporation/ the government/ the society/ the victims themselves do to protect the victims' rights?
8. Ask students to form groups in pairs and work on Worksheet 3: "How to raise corporations' awareness of environmental protection?" (Teacher can assign the roles for the students in order to obtain opinions from all the parties and to train students to think in different perspectives). Then stick the worksheets on the board and share with the students the outstanding answers.
9. Conclusion: Some think that entrepreneurs stress "business is business", it is reasonable for them to care only about profit-making. But some may argue, while the entrepreneurs are doing business, they should as well consider the good of the society (which includes environmental protection) apart from making profit. Ask students to analyse these two notions in depth and write down their advantages and disadvantages. Students should give rational and moral reasons to support their standpoints.

(con't Period 3)

Business is Business	
Advantages	Disadvantages
<ul style="list-style-type: none"> Companies can maximize profit Profit gained by the shareholders is guaranteed The profit ensures the employees' positions and welfare, which protects the employees from cutbacks in salaries and personnel The profit acts as the guiding policy and direction for the company. It raises the morale among the employees ... 	<ul style="list-style-type: none"> Profit-making suppresses social responsibilities Workers are exploited People may become immoral in order to maximize profit ...



The Good of the Society	
Advantages	Disadvantages
<ul style="list-style-type: none"> The majority of the society are catered The environment is conserved Harmony is maintained in the society and the world Employees' morality and conscience are improved ... 	<ul style="list-style-type: none"> Cost increased Profit gained by the shareholders is not the first priority If the company cannot make enough profit, the employees' positions and welfare may be threatened ...

Useful Websites

- Oxfam CyberSchool: <http://www.cyberschool.oxfam.org.hk/index.php>
- The Consumer Council: http://www.consumer.org.hk/website/ws_chi/
- Global Issues That Affect Everyone: <http://www.globalissues.org/>
- Ethics Resource Center: <http://www.ethics.org>
- The World Bank – Topics of Development:
<http://www.worldbank.org/html/extdr/thematic-alpha.htm#f>
- The World Trade Organization: <http://www.wto.org>
- United Nations : <http://www.un.org/chinese/>





Worksheet 1

MP3 Player Advertisement

Media: * TV ads/ Radio ads/ Newspapers/ Magazines/ Cinema ads/ the Body of a Bus/ Roadshow/ the Outside of a Building/ the Internet/ Billboards at MTR stations/ Billboards at the entrance of tunnels/ Others: _____

Theme/ Slogan: _____

Selling Point(s): _____

Spokesperson(s): _____

Content:

* (Please circle the appropriate)

**Role 1 MP3 Research Company**

You are the Research Director of a scientific research company. You are commissioned by a prestigious brand selling electric appliances (So-nice International Ltd.) to do research on a MP3 player with new functions. While you are working hard with your colleagues to update yourselves with the newest technology, you work all day on the research in order to complete the project by the deadline.

Say the selling price of a MP3 player is \$600, how much profit should you gain and why?

Reasonable Profit: _____

Reason(s): _____

Role 2 Worker

You are a native in Guizhou. Due to poverty, you borrowed money from the others and went to Dongguan alone, so as to earn money to support your family with 12 people. You are very lucky to be employed by a Japanese-funded factory and you are responsible for fabricating the MP3 players. However, 15 hours working per day and the poor working condition harm your health.

Say the selling price of an MP3 player is \$600, how much profit should you gain and why?

Reasonable Profit: _____

Reason(s): _____

Role 3 Brand-holder

You are the CEO of a prestigious transnational corporation selling electric appliances (So-nice International Ltd.). You own the patent rights of various electric appliances under the brand. In order to expand its share in the MP3 market, you commission a scientific research company to research and produce a line of MP3 players with new functions. You also spend a lot to invite a superstar to be the spokesperson of the new products in order to attract sales.

Say the selling price of an MP3 player is \$600, how much profit should you gain and why?

Reasonable Profit: _____

Reason(s): _____

Role 4 Spokesperson

As a superstar, you are invited by a prestigious brand selling electric appliances (So-nice International Ltd.) to be the spokesperson of an MP3 player. You spend 2 days to shoot the commercial in New Zealand and you work 10 hours a day.

Say the selling price of an MP3 player is \$600, how much profit should you gain and why?

Reasonable Profit: _____

Reason(s): _____

Role 5 Retailer

You are the manager of a branch store under an electric appliances chain (Fortune Company Ltd.) responsible for assigning duties to the employees, such as stocking up, sorting the products and putting them into order, serving the customers, etc. Your expenses include the rent and also the wages for the employees etc.

Say the selling price of an MP3 player is \$600, how much profit should you gain and why?

Reasonable Profit: _____

Reason(s): _____

Actual Distribution of Profit



Unit	Actual Profit (Approx.)
MP3 Research Company	\$ 92.0
Worker	\$ 0.5
Brand-holder	\$ 370.0
Spokesperson	>\$50
Retailer	\$ 54.0





Worksheet 2

**Strive for
Reasonable Profit!!!**

My Role: _____

I will strive for reasonable profit using the following ways:

Ideal Distribution of Profit	
Unit	Ideal Profit (Approx.)
MP3 Research Company	
Worker	
Brand-holder	
Spokesperson	
Retailer	

Situation I

A prestigious transnational corporation selling electric appliances is bothered about expanding its share in the MP3 market. It comes up with a new marketing strategy --- Customers can trade in used audio devices for a brand-new MP3 player at a discounted price. This strategy works and a lot of overseas orders are attracted. The corporation doesn't miss the chance and resell the used devices collected from different countries to a component-processing company in East Asia...

Situation II

A component-processing company in East Asia buys a large amount of used audio devices from a transnational corporation selling electric appliances. Workers are told to remove all the useful components and to discard the remaining useless devices and cells onto a piece of abandoned land in the countryside for the time being. However, an ardent person makes a complaint to the police and the hygiene department. The company is sued and it has no choice but to pay for transporting the scrap to the Mainland...

Situation III

One day, a huge amount of used audio devices and cells are discarded to a poor village which its people make a living by farming. The curious villagers gather around the pile of scrap and they are told that the waste dumped is "imported" from foreign countries. Day after day, the scrap rusts and becomes moldy under the changing weather. Cattle fall ill after eating the crops near the scrap while increasing villagers get sick or poisoned. Moreover, children who play around that area are bitten by unknown insects and the wounds aches...



Worksheet 3

How to raise corporations' awareness of environmental protection?

Name: _____

According to your role, try to think of some solutions to raise the corporations' awareness of environmental protection.

Role: * The Government / Conservation Groups/ A Citizen who has been affected by environmental problems / A Director in a corporation / Others: _____

Corresponding solutions:

*Please circle the appropriate



Appendix

Glossary

Fair Trade

The supporters of fair trade think that "trade" should not only cater to the interests of transnational companies and capitalists, but also incorporate concepts such as human rights, a minimum living standard for workers, and environmental protection. Fair trade emphasizes the following three aspects:

1. The mutually beneficial partnership between the consumer, the intermediary and the producer during the trade process;
2. The reasonable procurement price necessary for maintaining the producer's livelihood; and
3. The sustainable environmental protection efforts to ensure that the environment and ecology where the producer lives, will not be damaged for the sake of economic production.

As an alternative mode of trade, "fair trade" is still in doubt in many aspects, e.g., acceptance by consumers, the scale of trade being too small, etc. However, the advocacy of "fair trade" has helped people understand that trade is an economic activity involving not only returns, but also human rights, equity, environmental protection and living standards. With these concepts in mind, people will require international trade today to take into account the issues of fairness and equity.

Source:

<http://www.cyberschool.oxfam.org.hk/glossary.php?cod=35>

