



Sharing Information on Progress

Goethe-University Frankfurt

Faculty of Economics and
Business Administration

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Renewal of the commitment to PRME

As an institution of higher education involved in Principles for Responsible Management Education since 2009, Goethe University's Faculty of Economics and Business Administration is pleased to reaffirm our support of the Principles. We hereby renew our commitment as a PRME signatory school.

The following report provides an overview of how our Faculty incorporate the Principles into their teaching, research and community partnerships.

We encourage other academic institutions and associations to adopt and support the Principles.



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1. Coordination through Cooperation: *Arbeitsstelle Wirtschaftsethik* (Section on Ethics in Economics and Business Administration)

The establishment of the *Arbeitsstelle Wirtschaftsethik* is closely related to the accreditation of the Goethe University Frankfurt by the Association to Advance Collegiate Schools of Business (AACSB). The accreditation of its Faculty of Economics and Business Administration was accomplished in 2005, which means that the faculty was one of the first to participate in the accreditation process: among German institutions of economic science it was third, and within the federal state of Hessen it was first.

Among several obligations and standards resulting from the accreditation, the *Arbeitsstelle Wirtschaftsethik* commits to the AACSB's stipulation: "from the undergraduate to the master's and doctoral levels, business schools must encourage students to develop a deep understanding of the myriad challenges surrounding corporate responsibility and corporate governance[...] advance ethical awareness, ethical reasoning skills, and core ethical principles that will help to guide business leaders as they respond to a changing legal and compliance environment as well as complex, conflicting, and sometimes highly problematic interests and opportunities" (AACSB 2004: 9).

The realisation of this commitment requires that the *Arbeitsstelle* offer more than standard receipts for approaching ethical questions. Moreover, the complexity of ethical issues demands that students familiarise themselves with fundamental ethical concepts, contribute to a lively discussion by describing their own experience, and broaden their horizons by taking different perspectives. This involves the communication of a broad knowledge over all areas of application and the realisation of learning goals like the following: "Each student can recognize and analyze ethical problems and choose and defend resolutions for practical situations that occur in accounting, human resource management, and marketing" (AACSB 2010: 65).

In order to meet the requirements resulting from the interdisciplinary approach, a cooperative solution was planned. In the first step a committee with the name "Task Force Ethics in Economics" was founded to coordinate teaching and the implementation of the learning goals formulated by the AACSB. It is based on a cooperation agreement among faculties of the Goethe University and Sankt Georgen Graduate School of Philosophy and Theology:

- Faculty of Economics and Business Administration (Goethe University)
- Faculty of Roman Catholic Theology (Goethe University)
- Faculty of Philosophy and History (Goethe University)
- Sankt Georgen Graduate School of Philosophy and Theology

The result of the cooperation treaty was the establishment of a teaching and research concept called *ethics in economics*, which is coordinated by the above-mentioned committee. The first goal was the organisation of a compulsory course for the bachelor program, which was likewise named “Ethics in Economics”. Medium- and long-term goals include the realisation of further projects within this field. Among the medium-term goals is the establishment of a Chair of Economic Ethics. These activities are therefore in line with the international development among faculties of economics and business schools.

2. The Concept: Ethics in Economics

The elaborated concept of ethics in economics assumes the formulation of normative issues in several sciences – economics, biology, medicine, and others – which requires the analysis and explicit consideration of those sciences but also includes the discussion of various ethical theories. Concerning economics, the Goethe University adopts this approach within the framework of ethics in economics by focusing on issues related to applied economics as well as to its research context. This represents an innovative approach for German business studies. The program must further communicate the specific view of the relation between economics and ethics. Certainly, this concept is not new, but incorporates the current debate within business and economic ethics. This debate arose anew in the 1980s and led to a strongly differentiated area of research in Germany as well as internationally. Nevertheless, it is also part of the program to foster the understanding of business and economic ethics, in contrast with other approaches. The Goethe University thereby stresses cooperation among faculties. The approach described implies that the program takes into account relevant intersections of the three disciplines economics, ethics, and economic theory. The following table exemplifies selected intersections formulated as interdisciplinary topics and displays the range of the program:

Ethics	Theories of normative ethics and meta-ethics Terms and methods of applied ethics Theories of justice Political ethics (global governance; nation-state and global institutions)
Economics	Economics and ethics in the history of theories Modern approaches to economic ethics Corporate ethics (CSR) Economics and global development Economics, ecology, and technology (sustainability) Relation between economics, politics, and society Economics and justice
Economic theory	Science and ethics Methodology of economics Paradigm change in economics Semantics of economic terms Inference in relation to other sciences

3. Teaching

According to the elaborated concept of the task force, the coordination of teaching was the first step. As part of the new Bachelor of Science (B.Sc.) programme, the course Ethics in Economics has been offered each semester since the winter semester 2006/2007. It represents one of six basis modules, which also encompass Microeconomics 1, Macroeconomics 1, Accounting 1, Finance 2, and Management. They are mandatory and have to be passed during the so-called qualification phase, typically in the fourth semester. The module is designed to impart fundamental competences in economic ethics, which are applicable in business as well as in the interfaces between business on the one hand and politics and society on the other.

For teaching purposes, each semester the *Arbeitsstelle Wirtschaftsethik* assigns up to six lectureships to academics who are employed by the Goethe University and who can ensure essential education in ethics. This requires that they have a dual academic qualification or that they acquired their competence by working at the interface of economics and ethics.

The course is offered in each semester and consists of lectures and tutorials including exercises (both taking two hours per week). The lectures cover topics from two fields: fundamental knowledge of ethics and fundamental knowledge of economic ethics, which are reviewed in up to six accompanying tutorials. Those tutorials are important for deepening the understanding of selected topics treated in the lectures (some examples are listed below) and thus enable the students to get an idea of typical problems at the intersection of economics and ethics. The different topics treated in the tutorials enable students to select a topic of their own according to their interests, which they then elaborate further.

The content of the lectures includes the consideration of essential terms and positions of general philosophy and ethics as they are applied from a practical perspective in the following tutorials. They encompass terms like *freedom* and *activity* as well as historical and semantic types of ethics like utilitarianism, deontology, and virtue ethics. Current states of these subjects are considered as part of the introduction to general elements of economic ethics.

The objective of the tutorials is the discussion and consideration of problems in ethical economics in small groups, whereof the specific content depends on the individual tutorial and is organised by the tutor. That content is based on one of the following topics:

- History and theory of economic ethics
- Economics and justice in the economy and society
- Business ethics and sustainability
- Economic ethics and globalisation
- Ethics of economics, technology, and research
- Work and ethics

Examples of the topics and problems treated in the tutorials:

Tutorial 1:

The lecture introduces selected questions and problems of economic ethics by focusing on an adequate definition of the relationship between market and morality as well as on the question of normative foundations of rules of societal cooperation. Modern approaches to economic ethics, such as those of Peter Ulrich and Karl Homann, are treated, as well as processes of ethical decision making and its institutional pillars in the business context. Especially, topics of justice and financial ethics are explored, as well as methodological topics encompassing stakeholder analysis, responsibility, and sustainability.

Tutorial 2:

The lecture starts with the introduction of approaches to business and economic ethics which are suitable for analysing topics of development policy. Building on this knowledge, corporate behaviour of multinational companies will be analysed by means of case studies. Afterwards, those agreements affecting especially developing countries and dealing with world trade, fair trade, and microfinance will be analysed from a business-ethical perspective. Finally, those elements will be consolidated to support a positive development of globalisation from a business-ethical perspective.

Tutorial 3:

The main topic will encompass aspects of personal morals, action theory, philosophy of freedom, and economic ethics. Questions will include: Does a person's morality represent a "soft fact" which can influence his own life but also the profitability of his business? Taking into account human reason, degrees of abstraction, and their recognition, has the individual a specific responsibility towards the conditions or character of this world because of these abilities? Are freedom and fairness illusions? Do compliance directives solve problems of a

search for identity or integrity? Are there global ethical pursuits or value norms? The didactic frame will include presentations, discussions, explanations, and case studies.

Tutorial 4:

In accordance with business-ethical foundations, concepts, and positions discussed in the lecture series Ethics in Economics, this tutorial will reflect mainly applications of business ethics. The focus will be on topics of business ethics which include questions of responsibility of business actors and consequences of their actions when they can be defined very clearly. Furthermore, this necessitates the inclusion of institutions and regulations, among others, in the consideration.

Ideally, typical business dilemma situations and the deriving paradigmatic problems should be analysed and examined by the means of case studies. Of interest is the relationship as well as the differences between ethical and economic perspectives in this context. A necessary condition for this procedure is the perception and learning of what counts as an ethical problem in this context.

Tutorial 5:

The discussed concepts of general and economic ethics in the lecture will be deepened in this tutorial. This will include the preparation of relevant literature and its discussion.

Furthermore, philosophical considerations like the following are dealt with: What is the role of the individual in the economy, or what is the role of employment in being human? What role does work play, and what does profit mean for individuals? What is the significance of common and individual wealth, and of social justice? Is it possible to explain the world in purely economic terms, and if so, will such understanding suffice for human requirements, or are further conditions and alternatives needed? What, above all, constitutes the theoretical foundation of economics?

Tutorial 6:

This tutorial can be viewed as a supplementary to the lectures. We will consider standard accounts of economic ethics like classical liberalism after Adam Smith, the *ordnungstheoretischer Ansatz* after Karl Homann, integrative economic ethics after Peter Ulrich, and the approach of the American Norman E. Bowie called neo-Kantianism. With reference to specific problems we will describe the theories, distinguish among them, and evaluate them critically. Moreover, we will discuss topical business-ethical areas of

conflicting priorities. These are on the one hand specific topics like the oil catastrophe in the Gulf of Mexico, and on the other hand general ethical questions deriving from globalisation (like child labour and cultural imperialism), progress in information technology (like data protection and ambient intelligence), and genetic engineering (like patents on food). Likewise fundamental is the question of the value and dignity we concede animals in the context of the value chain.

We will treat all topics in group presentations, each of which is followed by a discussion. The objective of this tutorial does not include the proposal of a specific business-ethical position. It rather enables students to categorise their thoughts, and gives them opportunities to reflect critically and weigh arguments as well as to specify and communicate their thoughts. The ability to form one's own, rationally founded opinion with respect to questions of morality stands at the focus, as this can give the students an orientation in their future private and working environment.

4. Challenges of Teaching

One of the main challenges in the conduct of teaching results from the demand to offer individual teaching for each student, as this will create a climate where students can contribute with their own experience to discuss and reflect on ethical problems. This is a challenge in that the number of students is growing significantly while staff and room capacity are limited as well as our capacity to assess the achievements. Currently, the number of students ranges between 350 and 420 and is expected to increase in the coming semesters. In order to meet this increase, different ideas have been tested. In the past semesters six lecture series with various orientations were offered in parallel. In order to ensure learning of fundamental concepts despite the different orientations, the courses were split into two: a general part which introduced the fundamentals of philosophical ethics, and a more specialized part which looked into one topic of economic ethics. In order to ensure common and fair assessment, the teaching concept was changed to the current one, each lecture series being combined with tutorials to promote discussion.

Moreover, active participation of students has been found to be essential. It has become clear that the involvement of students in an assessment – in this context, oral participation and presentation – influences the learning climate positively. Since oral participation is limited during lectures, this participation is facilitated in the tutorials by encouraging intense discussions of ethical concepts and application problems. This allows a relation between ethical theory and practical problems of business routines.

In order that students realise and appreciate the effective relevance of economic-ethical problems and topics, a guest lecturer is invited each semester. The guests come preferably from businesses and speak about their experience with ethical problems during business activities. This allows the students to realise that they can expect ethical problems in their future work life – which are, however, solvable.

5. Lecture Series: Current Research Areas of Economic Ethics

To introduce research questions of economic ethics into the faculty, the lecture series Current Research Areas of Economic Ethics was organised. Nils Goldschmidt (Munich), Tatjana Schönwälder-Kuntze (Munich), Ulrich Thielemann (Berlin), and Michael Abländer (Kassel) were invited to speak about their current research projects and about combined economic and ethical considerations in general.

Further lecture series and guest lectures are planned, which should further establish business-ethical questions as subjects in the faculty.

6. Interdisciplinary Symposium: Market Economy and Human Rights – Economic-Ethical Dimensions and Challenges

What is the relation between the market economy and human rights, and from what perspective can this relation be described? Does a market economic system contribute in itself to the acknowledgment of human rights?

The interdisciplinary symposium revolved around these and other fundamental questions. The objective of the event was the reflection of human rights as a conceptual and programmatic starting point, which then led to a business-ethical consideration of economics. The *Arbeitsstelle Wirtschaftsethik* invited 19 researchers with different backgrounds to participate at the two-day symposium (11–13 March 2010) at the *Forschungskolleg Humanwissenschaften* in Bad Homburg. Among them were the keynote speakers Peter Ulrich (St. Gallen, CH), Stefan Gosepath (Frankfurt), Georges Enderle (Notre Dame, USA), Joachim Starbatty (Tübingen), and Hermann Sautter (Göttingen), who spoke to an audience of 70 participants in research and business, as well as scholars and students. The symposium was divided into four topics, which were preceded by Peter Ulrich's talk, *Weltbürgerliche Gerechtigkeit und Marktwirtschaftliche Wertschöpfung – Zur Zivilisatorischen Ordnung der Dinge*. The four topics were:

1. Justice and economics: dimensions of a (human-)rights-based perspective
2. Corporate social responsibility with respect to own interests, charity, rights, and law
3. History of the theory of the relation between economics and human rights
4. Development and human rights

Constructive results of an intense discussion during and following the symposium will be published in an anthology which will be released by Mohr-Siebeck (Tübingen) within the next few months.

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