

# Collective Impact Problems and the Promise for Business Ethics

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**Abstract.** “Collective impact problems” refer to situations where there is a collective harm or benefit, but where no single action seems to make a difference one way or the other. Collective impact problems arise when considering several pressing ethical issues in business, such as shareholder and consumer activism, business and climate change, factory farming and animal welfare, fair-trade and sweatshop labor, and corporate philanthropy. Unfortunately, business ethics textbooks do not explicitly deal with collective impact problems and, as such, students may be lacking the theoretical and practical skills necessary to deal with issues of significant moral concern. This paper helps to address this gap by introducing the reader to some collective impact cases in business ethics, detailing the challenges that collective impact problems pose for consequentialist and non-consequentialists alike, and highlighting some of the promising pedagogical benefits of using collective impact cases in a business ethics class.

**Keywords:** collective impact problems, collective action problems, moral responsibility, corporate social responsibility.

## 1. Introduction

In teaching business ethics the hope, at least for many, is to provide students with the theoretical knowledge and practical skills to effectively deal with ethical issues in the workplace and ethical issues related to business practices more generally. In short, we think that we can make a difference and encourage our students to someday make a difference too.

Though seldom discussed in the business ethics literature, collective impact problems pose a particular challenge for applied ethicists. “Collective impact problems” refer to situations where there is a shared benefit or harm, but where no single action, by an individual or even some groups, appears to make a difference as to whether any benefit or harm is realized. Consider the following scenarios.

*Industrial toxins* (Kagan 2011): Suppose that thousands of factories release a toxin into the air and that if one inhales enough of this toxin, one will get a disease. But, while many people do inhale enough to get this disease, the toxin disperses so widely upon release that no one inhales more than a single molecule

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from any one factory. A single molecule is not enough to make a difference to one's health. A single molecule more will not be enough to give you the disease, and, if you already have the disease, a single molecule more will not be enough to make it worse. So, it seems no single factory has even a chance of making a difference for the worse to anyone.

*Drops of water* (Parfit 1984, 76, Nefsky 2015, 247): Ten thousand persons are in the desert and suffering from dehydration. Ten thousand other persons are nearby and each has a pint of water. Although those with the water cannot go into the desert and offer it directly to those who are suffering, they can pour their water into a large water tank, which will then be taken into the desert and evenly distributed to those in need. If the majority of persons poured their pint into the tank this would be enough to rehydrate those in the desert and alleviate their suffering. Although the collective impact of adding pints would solve the problem, each individual act, amounting to a mere one ten thousandth 'drop' of water, would make no difference.

Scenarios like this raise several pressing questions. What morally relevant reason does a single factory have for devoting resources to suppress the toxin that they emit? Can we blame individual factory owners and managers if they do nothing at all and continue with business as usual? Can we collectively blame all industry owners? Does collective blame translate into individual blame for inaction? What reason does a single pint holder have for adding her water to the tank if a mere drop of water will not help to alleviate suffering? Where is the harm or benefit in acting one way or another? The answers to these questions are far from obvious.

In addition to industrial toxins, there are several other business-related examples that have the same general structure as these cases, many dealing with climate change and global warming, animal welfare, fair trade, and corporate philanthropy, and likewise raise similar pressing questions. Unfortunately, business ethics texts do not explicitly deal with collective impact problems and as such it is doubtful that they are addressed in many business ethics courses. Accordingly, this may leave our students without the requisite philosophical knowledge and practical skills and resources to address, and hopefully to help to resolve, some of the more pressing and impactful ethical issues in business and society today.

In this paper I provide a path to help rectify this oversight. In the first section, I present four business-related collective impact scenarios, respectively dealing with climate change, animal welfare, fair trade, and corporate philanthropy. In the second section, I canvas some of the responses to collective impact problems in the normative ethics literature and highlight the questions and challenges that collective impact problems pose for consequentialists and non-consequentialists alike. In the third section, I lay out some of the pedagogical benefits of philosophically engaging with collective impact cases when teaching business ethics; namely, engaging with collective impact problems in business ethics leads