

## CSR & Commitment Problems

### Instructions

When doing the reading for this class, there are the two basic kinds of information you need to understand:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, it is *information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible position on an issue, rather than another.

### Reading

Frank, R. H. (1996). Can Socially Responsible Firms Survive in a Competitive Environment? In D. M. Messick & A. E. Tenbrunsel (Eds.), *Codes of Conduct: Behavioral Research into Business Ethics* (pp. 86-103). New York, NY: Russell Sage Foundation.

### Questions

As you read, keep these questions in mind:

1. What does Robert Frank mean by “one-shot dilemmas”, “commitment problems”, and the “prisoner’s dilemma”?  
(Hint: These three concepts have a lot of overlap.)
2. According to Frank, how may a commitment problem be solved?
3. Why does Frank believe that pursuing CSR is like cooperating in a commitment problem where others may be competitive (i.e., may “defect”)?
4. If practicing CSR comes with costs and risks in a competitive environment, why does Frank believe that businesses should still take CSR seriously?

To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.