



Mains Practice Question

Case Study

You are the founder of a social enterprise that provides solar lamps to rural villages that lack access to electricity. You have been working hard to scale up your impact and reach more communities in need. One day, you receive an email from the CEO of a major oil company who is interested in partnering with you. He says that he wants to support your cause and help you expand your operations. He also mentions that he has to meet Environmental, Social and Governance (ESG) standards for his company. However, over the years working with renewable energy, you have developed a strong aversion to fossil fuel companies. Now, the CEO's offer has put you in a moral dilemma. On one hand, you resent the idea of accepting help from a company that is contributing to climate change and environmental degradation, and on the other hand, you feel that the company's assistance is a golden opportunity for your social enterprise to provide more light to the dark.

- A. What are the various ethical issues involved here?
- B. Will it be morally right for you to accept money from the oil company?

15 Sep, 2023 GS Paper 4 Case Studies

Approach:

- Start your answer with a brief introduction to the case.
- Discuss various ethical issues involved in the case.
- Discuss whether it will be morally right to accept the money from the oil company.
- You can conclude the answer by summarizing how your decision aligns with ethical principles and values.

Introduction

This case study revolves around the founder of a social enterprise focused on providing solar lamps to rural villages without access to electricity. The founder faces a moral dilemma when approached by the CEO of a major oil company offering support to expand operations. This offer raises ethical issues related to environmental responsibility, moral integrity, social impact, corporate responsibility, and the potential for perceived hypocrisy. The central question is whether it is morally right for the founder to accept funding from the oil company, given their strong aversion to fossil fuel companies and the environmental impact they represent.

Body

A. Various Ethical Issues involved in the case:

- **Environmental Responsibility:** The oil company is a significant contributor to climate change and environmental degradation through the extraction and burning of fossil fuels. Accepting support from such a company might be seen as indirectly endorsing or benefiting from their environmentally harmful activities.
- **Moral Integrity and Values:** As the founder of a social enterprise focused on renewable energy

and sustainability, you have likely built your organization on strong values and principles aligned with environmental responsibility. Accepting funds from an oil company may be viewed as a betrayal of these principles.

- **Social Impact vs. Funding Source:** There's a tension between the potential for greater social impact by expanding your operations and the moral conflict of accepting financial assistance from a source that goes against your core values.
- **ESG Standards and Corporate Responsibility:** The oil company's CEO mentions their commitment to Environmental, Social, and Governance (ESG) standards. This raises questions about whether their offer reflects a genuine commitment to positive change or if it's merely a form of greenwashing to improve their public image.
- **Perceived Hypocrisy:** Accepting funding from an oil company could open your social enterprise to criticism and accusations of hypocrisy from stakeholders, including donors, customers, and the communities you serve, who may view this partnership as contradictory to your mission.
- **Long-term Implications:** You must consider the long-term implications of this partnership. Will it compromise your ability to maintain your organization's independence and mission? What control or influence might the oil company exert over your operations?

B. It would be morally right to accept money from the oil company, there's no one-size-fits-all answer. My decision would be guided by my own values and the mission of my social enterprise. While making my decision, I'll consider the following things:

- **Intent and Impact:** I would assess the oil company's intentions. Are they genuinely committed to supporting sustainable solutions and reducing their environmental footprint, or is this primarily a PR move? I would also evaluate the potential positive impact of their support on your mission.
- **Mitigating Negative Effects:** I would consider whether I can negotiate terms that allow me to maintain my organization's independence and continue to prioritize renewable energy and sustainability. Additionally, I would seek assurances that their involvement won't compromise my values.
- **Transparency and Accountability:** I would ensure that the partnership is transparent, and both parties are held accountable for their commitments. This includes clear reporting mechanisms and regular evaluations of the partnership's impact.
- **Alternative Funding Sources:** I would explore alternative sources of funding that align more closely with my values and mission. It may take more effort, but finding partners or donors who share my vision could help me avoid compromising my principles.

Conclusion

Ultimately, the decision made by me will be based on the value system of my organization. Through all this discourse, I would engage in a thorough ethical reflection, consult with the stakeholders, and carefully weigh the potential benefits and drawbacks before making a choice that aligns with my organization's mission and values.