



# Ethics & Integrity in Supply Chain: Fair Trade, Corruption, & Labor Rights in Sicily

## COURSE DETAILS

**Course Designator and Number: SCLY 3204**

**Number of Credits: 3**

**Language of Instruction: English**

**Contact Hours: 45**

**Instructor: On-site faculty**

## COURSE DESCRIPTION

Ethics and integrity in supply chain management (SCM) are continually coming into question as global discussions of fair trade, labor practices, and corruption are more frequently exposed to be connected to business-as-usual practices. Sicily can be viewed as a microcosm of global supply chain challenges and as a laboratory for ethical business practices. From international labor market competition and inequality to the logistics of operating from an island and the implications of corruption and organized crime, businesses of all scales find themselves benefitting from the island's geopolitical integration in the European Union but also struggling with poor infrastructure, transnational competition, complex transportation logistics, and shifting cultural beliefs.

This course focuses on the language and tools of sustainability and responsibility as new standard currencies in business and challenges students to consider complex issues of ethics and integrity within real-world business cases in the Sicilian economic and socio-cultural context. As a result of this analysis, students will better understand the realities of applying ethical frameworks to complex, global business environments, and also recognize the medium- and long-term impacts of corporate decisions that can lead to not only thriving businesses ready to adapt to the demands of new and evolving markets, but also to sustain local communities and address complex economic and social challenges through innovation.

## Course Objectives

Upon successful completion of the program, students will be able to:

1. Gain an understanding of sustainability and critically evaluate concepts of sustainable supply chains and the role of green logistics.
2. Critically assess emerging strategies, models, and standards in the management of supply chain sustainability.
3. Understand the political, cultural, economic, and social paradigms that have shaped the business context in Sicily and Southern Italy.
4. Demonstrate an awareness of the labor, trade, migration, and development challenges faced by local businesses and the implications of these challenges in national and international business contexts.
5. Critically examine supply chain management through a cultural lens and feel more confident in using this analysis to inform business decisions.

## Methodology

This course uses Sicily's two major industries—agriculture and energy—to introduce students to important ethical, legal, and cultural challenges in national and transnational SCM. Local case studies are used to highlight the social, environmental, and financial responsibilities of businesses that may extend beyond profit maximization, with a special focus on the lasting challenges of operating a sustainable and ethical supply chain outside of the logistical systems established by the Mafia.

Courses move outside of the classroom to allow students to use the place-based systems as a lens to understand how these social structures and business challenges translate across cities and countries. Through a comparative approach, students will gain valuable cultural insights and develop an understanding of the political, structural, and social processes that shape how businesses function at local, national, and transnational levels. Within this context, students will explore the complexity of applying frameworks for ethics and integrity to business decisions, and gain a more nuanced understanding of corruption in global business.

## Course Prerequisites

TBD

## Required Readings/Materials

- Sarkis J. and Dou Y., *Green Supply Chain*, Routledge, 2018

- Locke R.,The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy, Cambridge University Press, 2013

### **Suggested Readings**

- A reading pack will be provided in digital format to the students, with relevant academic articles and case studies.

# Grading

## Grading Rubric

<b>Letter grade</b>	<b>Score or percentage</b>	<b>Description</b>
A	93-100	Achievement that is outstanding relative to the level necessary to meet course requirements.
A-	90-92	Achievement that is significantly above the level necessary to meet course requirements.
B+	87-89	
B	83-86	
B-	80-82	Achievement that meets the course requirements in every respect.
C+	77-79	
C	73-76	
C-	70-72	Achievement that is worthy of credit even though it fails to meet fully the course requirements.
D+	67-69	
D	60-66	
F	0-59	Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.

## Summary of How Grades Are Weighted

<b>Assignments</b>	<b>Percentage of grade</b>
Class participation and attendance	20%
Continuous assessment: case studies	40%
Final written exam	40%
<b>Overall grade</b>	<b>100%</b>

### Assessment Details

#### **Class participation & attendance**

This course requires that students participate in-class discussions. This means contributions to class discussions by relating to experiences, asking questions, and making comments appropriate to the topics being discussed. Students will be assigned readings from the textbooks and articles which will be discussed during a given class period. In order for the discussions to be meaningful, each student must come to class fully prepared to discuss the assigned reading and make meaningful comments. Since participation plays a role in the final grade, it is essential that students have not only read the assignment but have drawn conclusions of their own from the reading.

#### **Case studies (continuous assessment)**

Throughout the course students will be presented with business case studies in which students can apply and demonstrate understanding of the concepts addressed in class, during visits, and within the course readings, relating to sustainability and supply chain. Case studies involve real-life situations and take the form of a problem-based inquiry approach; this approach involves presenting students with a complex real-life situation that they are asked to find a solution to.

#### **Final written exam**

Held in the final week of term, the final written exam will include both multiple choice-type questions and essay-type questions.

# COURSE CONTENT

## Unit 1

### **Fundamentals of Ethics & Sustainability in Supply Chains (Part I)**

- Definitions of key principles of sustainability in SCM: corporate social responsibility, responsible procurement, and environmental purchasing
- Why focus on sustainability?
- Global market trends and statistics
- The risks, roots, and rewards of incorporating sustainable strategies in supply chain

## Unit 2

### **Fundamentals of Ethics & Sustainability in Supply Chains (Part II)**

- Developing sustainable procurement policies
- What are ethical implications in supply chain management?
- Equality, “modern slavery” and human rights, bribery and corruption, counterfeit and fraud
- Breaches of codes, reputational and brand damage, corporate scandals and their consequences

## Unit 3

### **An Overview of the Local Business Environment & Challenges in Sicily**

- Drivers of the economy in Sicily and Southern Italy
- Main challenges and social issues in Sicilian supply chains
- *Experiential learning:*
  - Field trip to “Liberia Terra” Social cooperative managing organic farms on Mafia-confiscated lands
  - Round table on the impacts of organized crime and corruption on local and transnational supply chains

## Unit 4

### **Intercultural Challenges & Social Issues in Supply Chains**

- Linguistic and cultural barriers
- Labor standards and forced labor
- Social security and salaries
- Employment inequalities
- H&S standards and protocols
- Comparative analysis of the relative contexts in Italy, EU countries, and the US

## Unit 5

### **Mobility & Labor Rights in Southern Italy: Focus on Food Production & Distribution**

- Forced or unfair labor practices of undocumented migrants: the phenomenon of “Caporalato” in Southern Italy
- Comparison between EU and US labor rights and regulations
- *Experiential learning:*
  - Roundtable with representatives of global and local NGOs providing legal pathways towards legal employment for migrant and disadvantaged communities

## Unit 6

### **Potential Conflicts Among Stakeholders in Supply Chains**

- The profit motive and the search for low-cost sourcing
- Demand management and the need for urgent orders
- Innovative tools in managing procurements with integrity (e-procurement)

## Unit 7

### **Green Logistics & Transportation**

- Concepts of reverse logistics and a circular economy
- Advancing the UN Sustainable Development Goals through the implementation of green logistics
- *Experiential learning:*
  - Company visit in the manufacturing sector: the case of OrangeFiber, producer of sustainable textiles and fabrics from citrus peel and food waste
  - Guest lecture and visit to the Future Food Institute HQs in Catania

## Unit 8

### **Standards for Ethics & Sustainability: Best Practices**

- Mapping supply chains to account for standard compliance
- The use of supplier sub-contractors
- Portfolio analysis to evaluate ethics-related and sustainability risks and improvements

## Unit 9

### **Standards for Ethics & Sustainability: Impacts & Compliance**

- Performance monitoring
- Feedback from suppliers that support compliance to standards for sustainability
- Accountability for achieving social, ethical, and environmental standards
- Sourcing third parties for auditing services

## Unit 10

### **The Use of Labor Codes to Help Achieve Ethical Supply Chains**

- The role of United Nations (UN) Standards, the Global Compact, and the International Labor Organization (ILO)
- Labor codes of conduct: Ethical Trading Initiative (ETI), the Agricultural Ethical Trading Initiative (AETI)
- Social Accountability International (SAI) and the standard SA8000

## Unit 11

### **An Overview of the Standards of Environmental Purchasing & Fair Trade**

- The role of the International Organisation for Standardisation (ISO), the environmental standard ISO 14001 and the Standard for sustainable procurement ISO 20400
- Sustainable Supply Chain Operation References Model—S SCOR
- The World Fair Trade Organisation (WFTO) and its principles and charter of fair trade
- Fairtrade Labelling Organisations International (FLO) and global fair-trade organisations
- Fair trade standards that affect the workplace and producers

## Unit 12

### **Company Visits: Standards Compliance in Practice**

- *Experiential learning:*
  - Field trip to Sicilian companies to meet the entrepreneurs and business leaders implementing best practices in sustainable tourism, wine and olive oil production and distribution

## Unit 13

### **Carbon Footprint & Labeling in the Product & Service Industries**

- Sustainability in supply and demand processes in the service industry
- The impacts of tourism and concepts of circular tourism

## POLICIES

### **Attendance Policy**

Students are expected to be on time and attend all classes while abroad. Many instructors assess both attendance and participation when assigning a final course grade. Attendance alone does not guarantee a positive participation grade; the student should be prepared for class and engage in class discussion. See the on-site syllabus for specific class requirements.

### **University of Minnesota Policies & Procedures**

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

#### **Scholastic Dishonesty**

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an "F" or "N" for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

### **Student Conduct**

The University of Minnesota has specific policies concerning student conduct. This information can be found on the Learning Abroad Center website.