

## Mexican Pesticide Shipment Teaching Notes

### *Usage*

The case can be used at both graduate and undergraduate levels. It can be used in courses such as the following.

- International Management
- Policy and Strategy
- Marketing Strategy/Principles
- Managerial Behavior
- International Marketing
- Technology Management

### *What Are the Relevant Facts?*

1. Sheila has high career ambitions.
2. Sheila is motivated to impress her boss, George.
3. George is under pressure to succeed.
4. George is insecure because of his layoff from a previous job.
5. George has an incentive compensation based on sales growth.
6. GCI was founded by venture capitalists.
7. GCI has declining sales and low investor returns.
8. The pesticide industry has vocal activists and high regulation
9. A report on the aflatoxin-cancer connection has recently been published.
10. U.S. consumers are sensitive about pesticide use.
11. There is limited Mexican government regulation of pesticides.

### *What are the Ethical Issues?*

1. What obligations does Sheila have toward uninformed Mexican farmers, farmhands, and consumers?
2. Do US. exporters have an obligation to cease exporting materials legally banned in the US.?

### *Who Are the Primary Stakeholders?*

- Sheila
- George
- GCI
- U.S. environmental activists
- U.S. consumers
- U.S. consumers of imported farm produce

- Mexican importers
- Mexican farmers
- Mexican consumers 0 Mexican government
- Mexican media

### *What Are the Possible Alternatives?*

For Sheila:

1. Let the shipment go with no additional information.
2. Send the shipment with the report and let Mexican importers decide.
3. Give the report to the Mexican media to share with their consumers.
4. Refuse to ship the consignment.
5. Ask for a transfer.
6. Go to the U.S. press and reveal the export of hazardous pesticides to Mexico.
7. Question the validity of information given in the activists' report.

### *What Are the Ethics of the Alternatives?*

- Ask questions from the "utilitarian" perspective, such as:
  1. What are the probable benefits and costs that foreign users of the pesticide might derive in view of their level of development and the alternatives available to them?
  2. What are the benefits and costs that US. parties might derive from exporting or from failing to export the pesticide?
- Ask questions from a "rights" perspective, such as:
  1. Do final users have a right to be informed about products such as pesticides? Do final users have a right to be protected?
  2. What duties do exporters have to ensure that final users receive any information to which they have a right? What duties do exporters have to protect final users?
- Ask questions from a "justice" perspective, such as:
  1. In view of the more advantaged position of the US. parties and the more disadvantaged position of the foreign parties, is it fair that the

US. parties derive the benefits they will derive while the foreign parties carry the risks they will [?].

*What Are the Practical Constraints?*

1. If Sheila refuses to ship the consignment, she may either lose her job or may not be promoted as she hopes.
2. Sheila's asking for a transfer may slow down progress in her career.
3. If the Mexican shipment is sent without full disclosure of information, many Mexican farmers, Mexican farmhands, Mexican citizens, and US. citizens (if apples are imported back) may consume apples with the hazardous substance.

4. If the company does not export the consignment, it may go out of business.

*What Actions Should Be Taken?*

Sheila should take such actions as:

1. Try her best to find more information about scientific evidence related to afar.
2. Convince her boss to share some relevant information about the hazardous nature of their product with the importer.
3. Prepare and provide detailed handling instructions for the product so that people handling it can minimize their risk.