

Soda Cola

To be used with “Consumers with a Conscience: Will They Pay More?” by Howard Kimeldorf, Rachel Meyer, Monica Prasad, and Ian Robinson. *Contexts*. Winter 2006.

As a University of Pleasantville Board Member, Mike has a large decision ahead of him. Two years ago, his university signed a 5-year contract with Soda Cola. The university only sells and serves Soda Cola brand beverages on campus, and in return the university receives financial support from Soda Cola for research, new buildings, and student activities.

However, a group of several hundred students on campus have prepared a petition that asks the university to switch soda vendors on the basis of alleged human rights violations by Soda Cola in other countries. In some countries, Soda Cola companies have been accused of having unsafe working conditions. In other countries, Soda Cola has also been accused of damaging the environment and contributing to pollution in rivers that people rely on for drinking water. While Mike understands these students’ concerns, he also has to consider his obligations to the university. Times are tough, and the money the university receives from Soda Cola goes toward education and research. Furthermore, he wonders if other soda vendors have better human rights records.

Either way, the Board of Directors of the university will be reviewing the petition; and Mike will have to express his opinion on whether or not the university should continue business with Soda Cola.

Discussion Questions:

1. If you were Mike, what would you suggest that the Board do?
2. If the university ends their contract with Soda Cola, they will lose a substantial amount of research and education funding from the company. Is it worth it?
3. Do Soda Cola consumers have the right to ask the company to investigate their practices?