C.E. Harris' Commentary on "Gifts From a Supplier"

Commentary On
Gifts From a Supplier

Scott's problem could be analyzed in either of two ways. First, it could be analyzed as a conflict between his own self-interest and the company's welfare. Second, it could be analyzed as a "line-drawing" problem. That is, it could be analyzed as a problem of determining whether the offer from Larry, the sales representative, constitutes a bribe. We all agree that bribes are wrong, so the question, according to this second mode of analysis, is whether Scott's acceptance of Larry's offer is a bribe - or close enough to a bribe to be morally impermissible.

In this case the second mode of analysis seems to have the potential of giving more insight into Scott's problem. In terms of a conflict between mere self-interest and the legitimate claims of the company, most of us would probably say that the company's claims should have priority. The real issue in this case is whether in fact there is such a conflict, and this issue hinges on whether accepting Larry's offer amounts to accepting a bribe. If it does, then Scott's obligations to the company should prohibit his accepting Larry's offer. In order to determine whether Larry's offer should be considered a bribe, it is helpful to consider a standard case of a bribe. Suppose that Larry, who is not one of Scott's regular vendors, offers Scott a $10,000 check if he will specify Larry's products.

Suppose, further, that Larry's products are both inferior in quality and more expensive, relative to alternative products. If Scott accepts the money and specifies Larry's products, he is accepting a bribe. This might be considered a standard or paradigm case of a bribe. Few would question the judgment that Scott's accepting this offer would be wrong. Bribes are wrong for a number of reasons. First, they corrupt the capitalist system, because competition would ordinarily lead to a person's buying the product that provides the most desirable combination of price and quality. Second, bribery harms the stockholders of Scott's company, because they are not getting the best product for the price. Third, bribery is unfair to the other vendors who do not offer a bribe. Fourth, bribery tends to corrupt both those who offer bribes and those who accept them. It promotes dishonesty, cynicism about human nature, distrust of others, and a purely economic view of human relationships.

Larry's offer to let Scott use his uncle's condo for a minimum fee is not a paradigm case of a bribe. The amount of money involved is probably relatively small, though not insignificant. Furthermore, the offer of a low-rent condo is not made in exchange for any specific promise to purchase particular products. Nevertheless, there are two important similarities to the standard case of a bribe.

First, there is the problem of appearances. It would "look bad" if it were generally known thatScott stayed at a the condo of a vendor's uncle for such a ridiculously low rent. Most people would suspect, probably rightly, that Scott gave his uncle a check for the difference between the usual rent and Scott's payment. Second, it is reasonable to believe that Scott would feel some obligation to specify Larry's products or at least give them special consideration. Many would argue that these similarities with a standard case of a bribe are sufficient to warrant a judgment that Scott should not take the offer. The directive of Scott's vice president raises the issue of Larry's offer in an interesting way. The directive prohibits accepting "incentives." Is Scott's offer an "incentive" if not an outright bribe? There are certainly important analogies between a true bribe and Larry's offer, although there are also differences. Perhaps, the term "incentive" is the proper word to designate Larry's offer. If so, accepting the offer is contrary to company policy.