

Analytical paper #1: ethics



Movie Inside Job – Ethics Review Introduction Ethical issues have quite widely been discussed in several pieces of art including movies. Inside Job is a documentary based movie that was directed by Charles H. Ferguson with the intent to reveal the unethical businesses carried out by policy makers, investment bankers, brokerage houses and rating agencies. The director provides insight about the financial crises that occurred during 2008 due to these unethical practices. The unethical behavior of the rating agencies that was depicted in the documentary was that the rating agencies continued to provide AAA rating to collateralized debt obligations (CDOs) even when they knew that these investment options were very risky (Inside job). In exchange for these ratings they continue to get huge amount of money from investment banks in shape of bribe. This is an unethical act because investors depend on the rating agencies to provide them information regarding the risk level of investment options. By provide wrong information, the rating agencies broke the trust of the investors who trusted them for providing unbiased and timely information.

Body

There are various ethical theories that may be used in order to justify unethical acts as ethical ones. One such theory is the ethical decision framework of egoism. The frame work states that while making any decisions and making sure that it is an ethical one, the decision maker needs to keep his/her own self-interest before the interest of others (Mann 148). This is the ethical decision making framework that the rating agencies might have used to justify their unethical act because it is quite evident that the rating agencies were working for their self-interest. The benefit they gained from indulging in the unethical act was that they earned millions of dollars in

shape of bribe from investment banks.

There are moral philosophies that individuals can follow while making decisions to ensure that those decisions impact the society in a positive manner and to avoid making unethical decisions. One such philosophy is utilitarianism which directs individuals to weight costs and benefits of their actions before they conduct any action. It postulates that if the benefits of the decision outweigh the costs for the overall society then those decisions should be taken as they are the ethical ones (Mann 149). If the rating agencies would have based their decisions on this theory they would have assigned lower ratings to CDOs as this would have protected the overall society from investing in risky investment options and the overall society would have benefited.

Immanuel Kant's moral philosophy of categorical imperative is another moral philosophy which would have directed the rating agencies to take ethical measures. This framework states that all those actions that have been conducted by an individual or group on the basis of the maxim (reason) that those individuals and groups would accept the same actions carried out against them under any scenario are the ethical decisions. This philosophy would have even stopped the rating agencies from providing wrong ratings because no individual in the world would accept that their trust is broken by providing them information that can lead to heavy monetary as well as emotional losses.

Conclusion

Followers of different moral philosophies act in a different manner and same is true in the case of actions that were conducted by the rating agencies in the documentary, Inside Job. The unethical acts of the rating agencies were

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directed by the moral philosophy of ethical egoism followed by the rating agencies and their members. If their actions would have been directed by the moral philosophy of utilitarianism and Categorical Imperative then those actions would not have been taken and the society might not have suffered the financial crises of 2008.

Works Cited

Inside job. Dir. Charles H. Ferguson. Perf. Charles Ferguson. Sony Pictures Home Entertainment, 2011. DVD.

Mann, Richard A., and Barry S. Roberts. " Chapter 6: Individual Factors: Moral Philosophies and Values." Introduction to Business Law: BSL 212. Mason, Ohio: Cengage Learning, 2010. 148-63. Print.