

# Example of the making of mass destruction:inside job and the great recession in f...

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The tale of the Great Recession is one that has been told and retold countless of times. In the years following the 2007-2008 financial crisis, much has been said in retrospect, and numerous conversations have been initiated with the key players that have made a significant impact in the event. And yet, the story of the financial crisis, and the recession that followed it, is still rife for exploration, particularly in considering the steps which are to be taken to prevent it from happening again. In this regard, it is important to question the matter of accountability. Who were the individuals that wielded power and what role did they play in the financial crisis? Charles H. Ferguson's seething documentary *Inside Job* attempts to answer just this question. Released in 2010, the film won the Academy Award for Best Documentary Feature that same year, and was praised by a number of critics for its pacing, as well as Ferguson's ability to simplify an otherwise complex financial system. In the process, Ferguson tackles the ethical dilemmas that plagued – and continue to plague – the powerful United States financial sector, raising questions about the morality and uprightness of the leaders of the industry.

In *Inside Job*, Charles Ferguson spends much of the film explaining how the financial crisis was formed. He divides the film into five parts. The first part provides a historical background for the discussion. Beginning in the 1940s, Ferguson explains how, through the decades, the American finance industry came to be dominated by so few companies. In the second part, he details how these companies – complete with their CEOs, Chairmen, bankers, and employees – managed to manipulate the housing market by offering subprime mortgages and subsequently betting against them. The third part

of the film explores the crisis itself, with the individual players making all the wrong decisions to save the economy. In the fourth part, Ferguson explores how accountability has eluded the financial crisis, with the top executives of the companies walking away with personal fortunes surviving. The final part provides a gloomy outlook for the future, as the government's response had so far been weak.

Throughout the course of *Inside Job*, Ferguson ensures that the individuals and key players in the financial crisis are identified. To be sure, the film is not an objective presentation – it sticks to one position and never lets go. However, *Inside Job*'s clarity of argument makes a strong case that the business ethics of these key individuals are compromised and weak. Firstly, the compromised personal ethics of the bankers and of the top executives of the firms may be seen in their apparent disregard for the results of their actions, in their greedy pursuit of wealth. Greed, defined as a selfish desire for more of something – in this case, money – than is needed (Argandona 3). The top executives of the investment banks implicated in the financial crisis took home hundreds of millions of dollars in personal wealth, in the form of take-home pay, bonuses, and incentives. Greed also motivated the bankers at the investment firms, as they effectively lied their way to gain commissions or increased remuneration. In the film itself, high incentives were blamed for the widespread tendency of bankers to sell subprime mortgage loans. Prudence and ethics were pushed aside as greed overcame good judgment among mortgage lenders nationwide (Lewis, et. al. 77). Personal integrity was also a compromised ethical value during this time. Top executives frequently held government positions and advanced

legislation that served their interests, without regard for the widespread effects of their actions. Take, for instance, the deregulation of over-the-counter derivatives. In the late 1990s, these products became popular within the financial market, but efforts to regulate them were ceased by legislation, backed by officials who had vested interests in unchecked deregulation. Another example of compromised integrity is Henry Paulson, who served as the Secretary of Treasury under Bush during the crisis, and who was also a former CEO of the investment firm Goldman Sachs. Aside from engineering the bailout of his former company, Paulson also managed to make money in his position through tax exemptions required in the liquidation of his assets. Truthfulness in commerce and finance was also chunked out the window. Credit rating agencies such as Standard and Poor's and Moody's consistently rated products higher than their actual value so that unwary investors will be later victimized when the bubble pops. The top executives were also less than honest in their dealings with government, eventually becoming a kind of collective among the investment banks, deciding the fate of those that rely on their services.

## **Works Cited**

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