

# [Ethical dilemma of exporting capital for production abroad](https://assignbuster.com/ethical-dilemma-of-exporting-capital-for-production-abroad/)

With ethical dilemma in association with exporting capital for production abroad I would say that companies shouldn’t be made to continue operations if they are no longer profitable. In my belief, one of the main reasons corporations would export capital for production abroad would be to maximize profits to their shareholders. This would be a Libertarian’s way of thinking, meaning perspective is that individual well-being, prosperity, and social harmony are fostered by “ as much liberty as possible” and “ as little government as necessary.” (What is a Lilbertarian?) and I believe that when a business is no longer profitable executives look for ways to cut costs, and since lower wages can be paid in other countries this can bring in big savings for the company. Early in the 19th century, a utilitarian would have tended to favor free trade. I believe that nowadays the utilitarian would be for placing constraints on the export of production abroad. Since utilitarian’s want an economic system that will be bring more good to society than any other system (Shaw & Barry, 2010)

Corporations should be allowed to remain competitive and if that means exporting capital (after all alternatives have been exhausted) then so be it. However, I do feel that corporations have a moral responsibility to its employees and the community that they are abandoning.

Utilitarian theory is to produce the greatest good over bad for a greater number of people. Exporting capital for production overseas has helped tremendously in the development of other countries. Lending money on the other hand to other countries can condemn them to impoverishment for the near future (Shaw & Barry, 2010) Companies should be figuring out the benefit and cost for both the immediate and future outcomes. A Utilitarian does not necessarily mean that the right action is the one that returns the greatest, but the principle is to maximize the greatest benefits for all.

An ethical dilemma that is associated with exporting banned products is simply the fact that people can be injured or even die as a result in using this banned product. Therefore, with this in mind, I would definitely say that constraints should be placed on the exportation of products banned in the U. S. To support my decision, I will use the ethical theory by German philosopher, Immanuel Kant for my justification. Kant’s ethical theory is based on the theory that moral issues can, in principle, be known because of reason alone and are not based on observation. In contrast to Utilitarianism and other consequentialist doctrines, Kant’s ethical theory holds that we do not have to know anything about the likely results of, say, my telling a lie to my boss in order to know that it is immoral. “ The basis of obligation – must not be sought in human nature, or in the circumstances of the world. It should be a priori, by which he meant that moral reasoning is not based on factual knowledge and that reason by itself can reveal the basic principles of mortality.(Shaw & Barry, 2010, p. 69) However, the argument that the benefits of exporting supplies with the possibility of misuse is that the good outweighs the bad. In other words, the betterment that can be realized from a product if it is used properly outweighs the bad that can result from misuse. For this reason, I feel that some constraints should be placed on the freedom to export commodities that have the potential for misuse and Utilitarianism, a consequentialist theory, will support my statement. I think that one point that supports the theory of Utilitarianism is the fact that utilitarian’s wish to maximize happiness not simply immediately but in the long run as well. (Shaw & Barry, 2010)

Kant’s ethics gives us firm standards that do not depend on results, and gives us a moral decision, making it the importance of acting on principle and from a sense of duty. I would believe that if banned in the U. S. that should be reason enough. If they are not good enough for our country, then why should they be any different anywhere else? Kant’s theory also applies here, by saying that an act is right only if the actor would be willing to be treated the same if the position of the parties the other way around. (Shaw & Barry, 2010)

Kant is best known for defending a version of the “ respect for persons” principle which implies that any business practice that puts money on a par with people is immoral.

Ethical problems have a negative impact upon people in ways that are in their control. They may hurt or cause harm to others that might be unwarranted. The ethical problem becomes more difficult if it results in different outcomes, with benefits for some and damages or harm for others. Therefore, through downsizing the company may achieve better financial results and profitability in order to cope with increasing competition or declining market.

According to an article, I was reading in Business Week, “ Anytime we’re faced with a decision that can affect the rights or well-being of others, we’re looking at an ethical issue. No matter how strong the justifications for reducing the workforce are or seem to be, laying off loyal and productive employees is an upsetting experience for all concerned, and those on the receiving end face not just financial but psychological injury.” (Bruce Weinstein, 2008)

From any realistic ethical perspective, the answer is always a yes. A company that provides no jobs and no benefits has a net worth of absolutely nothing at best, and is harmful at worst, as people have invested their lives in the venture, and will have to seek employment elsewhere, presumably from a similar industry, which is probably also suffering in most cases.

I don’t mean to be offensive or contrarian or critical, but I think a better question would be: “ Should a business be allowed to downsize in the face of economic difficulty if it could afford to do otherwise?” In that case the answer from a rule utilitarian perspective becomes much more difficult, and depends upon a number of factors. Is nonprofit ability sustainable for an acceptable length of time? Is the potential for investment and growth going to provide greater benefit than downsizing? I’m not sure that rule utilitarianism can even answer this question. I think act utilitarianism would be better suited, and in the case of the second question, my answer would no.

As for breaking a union contract, I think that this is a tough one for rule utilitarianism. From the level of the contract, it is not acceptable, as it violates the rules presumably set forth for the greatest benefit of all. Then again, if breaking the contract can save jobs, rule utilitarianism has defeated itself.

From the rule perspective, my answer would be “ no”, as there are without a doubt provisions for negotiation that can be used to redefine the rules in case of a crisis. A job that pays you less is better than no job at all under either form of utilitarianism.