

# A study of the bhopal gas tragedy assignment

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We could firstly look at the arguments that would justify a company in putting its first loyalty and moral responsibility to its owners as a priority. One of those arguments is the shareholder theory, which states that "the primary responsibility of a firm is to maximize the wealth of its shareholders" (Friedman, 1962).

As Friedman (1970 in Moore 1999) then proceeded to argue, he claimed that society would gain as a whole if businesses were left to do what they do best, create wealth. This argument could also be strengthened by considering the principle of egoism. Egoism, as defined by Baler (Bibb expounds that an action is rational if and only if it maximizes one's self-interest.

In contemplating the supporting propositions for a company to owe its first loyalty and moral responsibility to its employees and local community who are affected by its operations, we first examine the corresponding view on shareholder theory which is the stakeholder theory where "the stakeholder framework places shareholders amongst the multiple stakeholder groups that managers must involve in their decision-making process" (Clarion, 1995; Donaldson and Preston, 1995) where stakeholder groups would include internal, external and environmental constituents who can place demands on the firm (Ruff et al. 2001). A moral theory that could support this view is the ethical theory of W. D. Ross in which he dictates 7 prima facie duties that each person may bear at any one time. In this case, a company has a duty of fidelity to its owners to act in their interest as well as the duty of malefaction to its employees and the local community. In deciding which duty is more important we can turn to Kantian Ethics and the ethic of care. The second

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reformulation of the categorical imperative says that we should “(a)CT in such a way that you treat humanity... Always.. As an end and never simply as a means” (Thomas, 2010). Following that, the duty of fidelity will lose priority to the other as the former may require the company to treat humans as a means to an end. Finally, the ethic of care asks that we care for the well-being of those who are dependent on us (Shaw, Barry, Sandburs, 2009). Therefore, a company should owe its first loyalty and moral responsibility to its employees and the local community who are affected by its operations as they are dependent on the company for their safety. ) The first reformulation of the categorical imperative in Kantian Ethics conveys the idea of treating others how one would want to be treated by others (Thomas, 2010). By natural logic, this entails the concept of all humans being equal and by that extension the differing economic circumstances of an Indian worker should not be efficient ground to award a lower compensation. 3) Union Carbide USA may have stated their legal rights as a moral justification to use the forum non convenient.