

**Mid Term Assignment (Spring 2020)**

**Program: MBA-90**

**Semester: 4th**

**Course: Business Ethics**

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**Topic: Case study**

**Made in the U.S.A.—Dumped in Brazil, Africa, Iraq...**

**Solve the questions according to your own understanding. Each carries (5 marks)**

**Q No. 1.** Explain what dumping is, giving some examples. Does dumping raise any moral issues? What are they? What would an ethical relativist say about dumping?

**Answer:** Dumping refers to the practice of exporting to other countries products that have been banned or declared hazardous in the United States. For example when 450,000 baby pacifiers were exported when they were known to have caused choking, when 400 deaths and 5000 hospitalizations were recorded when a US banned organic mercury fungicide was exported to Iraq, when cancer causing synthetic male hormone banned in US was exported to Brazil as an appetite stimulant for children are all examples of dumping and Yes all these examples do raise some serious moral concerns. The very first thing that comes to mind is that how something that can cause serious illness or even death is acceptable to be sold in a county other than US? As the case suggests that this is mostly driven by corporates who are either trying to make more profits or cut their losses at the expense of human lives in these developing countries. An ethical relativist might differ from this opinion. For them morality is relative to one's society or cultural norms, and if a society is happy to accept these hazardous materials then according to ethical relativism there are not moral issues.

**Q No. 2.** Speculate on why dumpers dump. Do you think they believe that what they are doing is morally permissible? How would you look at the situation if you were one of the manufacturers of Tris-impregnated pajamas?

**Answer:** Dumpers are mostly motivated by profit or at least by the hope of avoiding financial losses. For big corporations who dump are there to make profits and sell their products by any means possible. On the other hand, the situation is more complex for the governments and agencies that control populations or help with other humanitarian missions in the third world countries. From their viewpoint, they are helping these countries by making these products available to them. For example, even though the birth control device was hazardous, it was still considered to be better than third world countries high death rate in child birth.

**Q No. 3.** If no law is broken, is there anything wrong with dumping? If so, when is it wrong and why? Do any moral considerations support dumping products overseas when this violates U.S. law?

**Answer:** Even if no law is broken, dumping can still be considered morally wrong. It is understandable that when exports are based on humanitarian grounds then dumping can be considered acceptable as it not only supports needs of the developing countries but also support their economic growth. But if dumping is purely carried out for financial benefits without considering human lives and health then it should be banned completely. It is also

important to note each other, and people of that country have the right to decide what should and should not be banned in their country as a product. So this supports dumping even when this violates US law.

**Q No. 4.** What moral difference, if any, does it make who is dumping, why they are doing it, where they are doing it, or what the product is?

**Answer:** If the companies are dumping hazardous products for the sole purpose of business growth and financial gains that it is morally wrong. If a company, government or any agency is dumping only to support a third world country with humanitarian goals then it can be considered write. At the same time, it is important that the other country or users of the products be made aware of the hazardous nature of the product and risks involved in consumption of such products.

**Q No. 5.** Critically assess the present notification system. Is it the right approach, or is it fundamentally flawed?

**Answer:** In the present notification system, foreign health officials informed about the hazardous nature of any product. But these officials or governments usually do not have any standards developed to check the product or even control import. There is usually lack of regulatory agencies, adequate testing facilities, or well-staffed customs department. On the other sometimes EPA or FDA fails to inform foreign officials and even if the information is gets out of the US, it only reaches its embassies in other countries where sometimes the information is too technical for them to understand. This system is fundamentally flawed. There should be a standardized approach of communicating this information with Health officials directly or through World Health Organization.

**Q No. 6.** Putting aside the question of legality, what moral arguments can be given for and against dumping? What is your position on dumping, and what principles and values do you base it on? Should we have laws prohibiting more types of dumping?

**Answer:** I believe dumping should be stopped all together. Even though an ethical relativist, companies who make profits or governments/countries with no health standards will support dumping, I believe dumping creates a serious moral concern of effecting health and well being of people in third world countries who are already suffering through poverty, economic crises and health issues. The more dumping is promoted or is successful, the more these corporations would want to make money by exploiting third world countries. Yes, there should be more laws and regulations prohibit dumping of all type.