Do the Ethical and Moral Principles Make Sense in the Modern Economic System?

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Morality, Self-Interest, and the Modern Economy

Do the ethical and moral principles make sense in the modern economic system? Does the economic system today allow for ethical considerations? These are the questions that are somehow implicitly answered with a no, in the modern socio-political scenario. Adam Smith is given the mantle for inspiring such an economic system void of moral considerations. Amartya Sen describes that the ideas of Adam Smith are interpreted in a way that it seems that he argued for a selfish and self-interest-driven economic system when, in reality he never explicitly proposed such a system.

His ideas were taken into contemplation from a perspective that because he made economics scientific, he has to be focused on making things hard-headed because science does not listen to human morality or correspond with what people think instead it has its way of flowing with nature (Sen, 47). Scientific knowledge in this way is the scientific and natural flow of a flood that does not care if a person who comes in its way is poor or rich. Another implication associated with Adam Smith is that the immoral system can allow people to be so profit-driven that they would do whatever is necessary to gain profit even when it hurts others. For example, fraudulent behavior can be seen as a plus because that serves a person's self-interest and in an immoral world, it is completely permissible, but in reality that is never seen in the writings of Adam Smith (Sen, 49). He was, in reality, a professor of moral philosophy and believed in morality. Amartya Sen in his article argues that the modern economic system is completely attributed to Adam Smith, who is regarded as the father of modern economics. However, today's unethical practices seen in the global economic system are not because of his proposed ideology. These tendencies are an outcome of the invention and inclusion of postmodernism in society.

The practices of immorality are common in the modern political and economic system. States are focused on pursuing their national interests even when that pursuit creates troubles and problems for other nations. The same is true on the economic front, as corporations and companies follow anything they can to benefit from the market system at the cost of people's misery and sometimes lives (Niebuhr, 73). The fact that the production zones are made in the regions of the world where there are human rights violations, and other such practices that are forbidden and illegalized in the West means that there is some benefit that they are after that cannot be found in the West (Kent). The low-

wage workers in China are one thing as the Chinese economic system allows for having a life on the wages that the people earn from making the product for the global companies installed there even though these companies could provide and help their own home countries by establishing companies there at lower profits. The fact that the companies, in this case, can help their own countries but will not because of the personal benefits is to some extent acceptable. The fact, however, is that the company executives allow for operations in different countries to employ child labor as they are way too cheap and proficient in production (Lamarque).

The Ethical Considerations in Child Labor

Child labor was considered a normal and common practice up to the 1900s, and scholars like Karl Marx and Charles Dickens raised voices on the matter as the practices were harrowing for the children and the practices like these were deeply interrelated with the manipulation, underpaying, and torture in case of minor mishaps. The cruelty of the practice became the reason for the focus of abandonment of such practice. However, the world has this practice alive until today. Many countries have laws against child labor but the laws are not implemented, and the practice of child labor still exists. The debate on the practice being ethical and unethical was raised in the mid-20th century and the scope of it increased multi-fold at the turn of the century (Kolk and Van Tulder).

Child labor is unethical in all forms as the children who should be spending their years learning and educating themselves are put into adverse and traumatic conditions, and they are not given the rights or equal opportunities afforded to many other children who go to schools and learn to live on their terms. Many people equate child labor with child slavery as the children are exploited, used for illicit purposes, and made to work more and for less, as they are energetic and naïve. Children in countries like the Philippines, Cambodia, India, Vietnam, and many others in the region are put in situations that are not favorable to them. There are many chances that they could lose their lives or limbs and be discarded from the workforce when they cannot work in the capacity that they are needed. Child labor is generally unethical because of the cruelty of the practices and the inequality it gives way to (Edmonds and Pavcnik).

Many proponents of the fact that the children in poor countries work because of their poverty and the employer is giving them the means to fulfill their dreams of earning and feeding their family, consider child labor a favor. They believe that by employing the children, the American companies are actually giving them the means to earn while also contributing to their country's economy that eventually leads to their benefit in the shape of economic growth in such countries. The children who work have no other choice as they live in such situations where they cannot go to school and have a "normal life." The facts of their lives are already so grave that they cannot make any progress without working and the companies that give them opportunities for employment are doing them a favor in this way and not pushing them to misery ("Should Child Labour Be Banned?"). However, these claims all seem logical but some things cannot be put in such absolute terms of logic, and moral values should be imperative. The fact that the children in these situations are in huge numbers is a big failure of the

global economic and political system where the world leaders claim to bring equality to all countries and all parts of society. The main consideration in this issue is the intentions of the companies that invest in these practices. There have never been any indications of such intentions as the companies that have been accused of or found to be a part of using child labor never cited this as their argument. They always deny being involved in the practice which means that their focus is not on providing the children with employment, but they are involved in practices of child exploitation, underpayment, and cruelty.

Amartya Sen argues on the same terms that there is no way that Adam Smith could have implied that profit maximization is the only goal of the economic system and the businesses. In reality, the global production giants are using the wrong model of what Adam Smith proposed and are making money off of others' misery. Discarding morality in favor of cut-throat competition and cruel practices is not acceptable or justifiable by the economic system presented by Adam Smith (Sen).

Is it morally right for US companies to employ Children in developing countries?

The profit maximization model that is seen to be what Adam Smith proposed but is based on immoral principles of gaining benefits from others' misery is not moral. The American companies that have their production units in countries like Cambodia, China, Burma, and Vietnam and are allowing for the employment of child labor are doing that only for their material gain; hence, there is no way that their practices can be deemed moral. The justifications for the things that these companies put the labor through are in no way right. The only way that this could be justified is by assuming the value of American life is more than that of people from any other nation, an assumption that is accepted by many Americans including some of the leaders. The duplicity in dealing with human rights within and out of the country by some American production giants and other facets of America's administrative hierarchy is very distressing. The justifications of American companies using child labor cannot possibly be valid as America is one of the biggest supporters of human rights in the world. The morality in business cannot be discarded no matter what Adam Smith says because in the social sciences, there is always dealing with human beings and some cannot be considered better than others. Equality regarding gender, race, religion, caste, and creed is not only applicable to American society but also to the rules of the world and should be considered. There is not a single point in the essay by Amartya Sen that I disagree with; all of the points presented in the essay correspond to my ideology of the need for a moral value system to run the world to get to a peaceful reality eventually.

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