

ETHICS - TEAM DEBATES

INTRODUCTION

How much **is**
too much ?

- **Distributive justice**
= Allocation of goods in the society (+degree of the government's intervention)
- Subject with **increasing attention** > context of **widening gap between rich and poor**
 - *In Europe, since 1980, the 1% richest have seen their income grow twice as fast as the poorest 50%*
- Can you be too rich ? **How much is too much ?**



- To think about this topic, **focus on the business world** :

Some countries are introducing regulations to limit the salaries of the top managers.

- *For example, in Netherlands, limit of manager' bonuses to max 20% of their fixed salary.
Effects = reduction of the cashs bonuses...but rise of the fixed salaries to compensate.*

Today's debate is about the specific issue of **limiting the salaries** of top managers in companies.



TEAM 1
in favor of a maximum wage



TEAM 2
against the maximum wage



Is the pay cap ethical?

(No, it's not)

Argument 1: Change in technology leads to increase in skills.

The workplace is a never stagnant environment:

- New skills in the workplace are being transferred, learned, discovered
- As new technology is being introduced in the workplace, a new set of skills must be implemented for the position (more complex)
- **The salary cap may prevent the required positions to be filled** (because it is not paying well enough to the superiors), therefore slowing down the innovation of the company
- “Employers need to provide opportunities for their workers to grow and learn new skills as their jobs evolve.” (Kim, 2019)

[cnbc.com/2019/10/03/acquiring-new-skills-is-more-important-in-the-workplace.html](https://www.cnbc.com/2019/10/03/acquiring-new-skills-is-more-important-in-the-workplace.html)

Argument 2: Without innovation, the company will remain motionless

- Many reasons that a company can hit a plateau (Utilization of modern technology; Excess workload) (Dimitrijevic), but it is important to act on it.
- As previously mentioned, the salary cap may **prevent for new positions to be implemented** in the company, slows down the growth and innovation of the company.
- As the company slows down, it is **losing its advantage over competitors**.

Argument 3: people's compensation should be commensurate with their contribution

>> What if the **contribution worth more** than the salary cap?

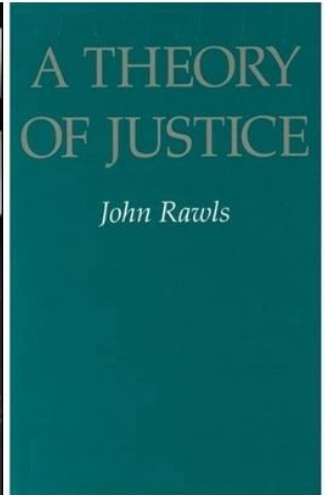
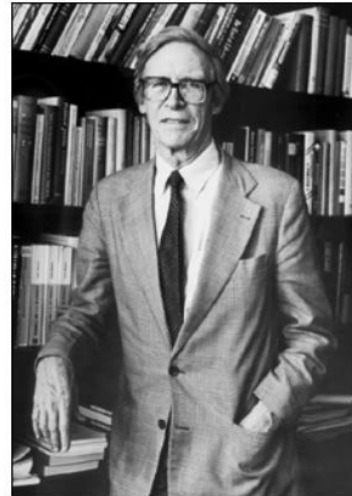
Argument 4

The salary cap limits the rich to
contribute to society

Argument 5: Increase income taxes instead

Rawl's theory of justice ->

- Inequality is neither moral or immoral
- It should benefit the least fortunate



Argument 6

Managers and CEO's would be tempted to work elsewhere

Argument 7: The pay cap limits the creation of new jobs

- Less attractive
 - High amount of pressure -> not worth it
 - Too much work hours
- Could be the same case with new jobs
 - Limitation creation new jobs
- Ethical reasoning
 - Hard skills & Research
 - Positively impact society
 - High potential -> degraded
 - Bad cause

Argument 8: The pay cap diminishes the ways on how we are able to value jobs

How do we value jobs?

Recap of our main arguments :

- Motivation for **high performance** ;
- **Merited** because of their **high responsibilities** and pressure ;
- Important to **keep managers motivated** because they are **difficult to replace**.