



ETHICS AND BHOPAL GAS TRAGEDY

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Meaning of Ethics

- **Ethics** refers to the principles that govern **right and wrong** behavior.
- It involves **moral standards** that guide individual and organizational decisions.
- Ethics ensures **fairness** and **integrity** in actions and relationships.
- It focuses on the **responsibility** to consider the impact of decisions on others.
- Ethics promotes **honesty, transparency**, and adherence to societal norms.

IMPORTANCE OF ETHICS

- **Builds trust** and **credibility** between businesses and stakeholders.
- Promotes **fairness** and **justice** in decision-making processes.
- Encourages **accountability** and **transparency** in actions.
- Enhances **long-term success** and **sustainability** for organizations.
- Strengthens **reputation** and fosters positive relationships with society.
- **Prevents exploitation** and promotes **respect** for human rights.
- Encourages **ethical leadership** and sets a positive example for others.
- Helps in **conflict resolution** by promoting fairness and understanding.
- **Reduces legal risks** and helps avoid costly lawsuits or penalties.

ETHICAL ISSUES IN AN ORGANIZATION

Ethical issues in an organization refer to situations where the rights, duties, and obligations of employees, managers, or organizations are in conflict with accepted moral principles.

- **Discrimination and Harassment:** Unfair treatment based on gender, race, ethnicity, religion, or other personal characteristics, leading to workplace inequality.
- **Corruption and Bribery:** Offering, accepting, or soliciting bribes or kickbacks in exchange for favors or business advantages.
- **Conflict of Interest:** When employees or managers have personal interests that interfere with their professional duties, leading to biased decision-making.
- **Insider Trading:** Using confidential or non-public information for personal financial gain, violating the trust of stakeholders.
- **Environmental Responsibility:** Ethical dilemmas related to environmental sustainability, waste management, and the impact of operations on ecosystems.

- **Employee Rights:** Issues concerning fair wages, job security, safety, and respecting employees' rights to privacy and free expression.
- **Whistleblowing:** Ethical challenges surrounding employees reporting unethical or illegal activities within the organization.
- **Intellectual Property Theft:** Misappropriation of patents, trademarks, or copyrights, leading to the exploitation of another's ideas or inventions.
- **False Advertising:** Deceptive practices related to product claims, misleading consumers, or overstating the benefits of products/services.
- **Labor Exploitation:** Unethical practices related to child labor, forced labor, or unfair working conditions in the supply chain.
- **Fair Competition:** Issues concerning monopolistic practices, price-fixing, or market manipulation that violate ethical competition norms.

Case Study On Ethical Issues

Bhopal Gas Tragedy

- Location of the disaster - Union Carbide Limited, Bhopal
- Date of the disaster - 3/12/1984
- Time - 1:00 Am
- Name of the gas leaked - Methyl Iso Cyanate (MIC)
- Number of people affected - 5,21,262 people (62.58%)
- Number of deaths - 20,000



INTRODUCTION

Ethics form an integral part of any Organization. As it leads to

- Formulation of laws required
- Take care of Safety and health of people in and out of the organization.

But many times the ethical code of conduct followed by the companies has failed to do so miserably.

When we talk about the non-compliance of ethical issues at the workplace the one that stuck our chord is **BHOPAL GAS TRAGEDY – 1984**

Bhopal Union Carbide limited, situated in India is a subsidiary company of Union Carbide Limited, America.

- World's worst Industrial Disaster
- Left Millions of people with serious health problems for years
- Was a result of lack of ethical, technical, legal and organizational errors and not dealt effectively neither during the happening nor after it.

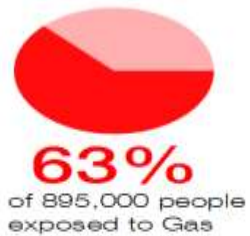
OVERVIEW

- On 3rd Dec 1984, worlds worst disaster unfolded itself i.e Bhopal Gas Tragedy
- It happened due to the leakage of poisonous gas MIC(Methyl Isocynate) Used in the production of pesticides.
- Negligence and mis-management initiated the leakage which reached millions of people living in the vicinity and destroying their lives.
- It lead to numerous fatalities and people with long term health disorders.
- It was the result of lack of ethical policy of the organization in addition to lack of legal technological policies.
- Over 3500 deaths were reported and above 2 lakh were affected and are still bearing the dreadful impact of the tragedy.

3
DECEMBER
1984



UNION CARBIDE



- 1984/12/04 Case registered against UCIL
9 arrested, incl. W. Anderson
- 1985/02 Claim filed for \$3.3 bn. in US court
- 1986 US district Court transfers all litigation to India
- 1987/12/01 CBI Files chargesheet against Anderson and 8 others
- 1989/02 UCC and Indian govt in \$470 mn out-of court settlement
- 1992 Only part compensation disbursed by Govt. of India
- 1994 UCC sells stake in UCIL to McLeod Russell (India) Ltd.
- 1999 UCC announces merger with Dow Chemicals
- 2004/06 US rejects extradition request for Anderson filed in 2003
- 2004/10/26 Supreme Court sets 15 Nov deadline for compensation payouts
- 2010/07/07 Bhopal court declares all 8 accused guilty

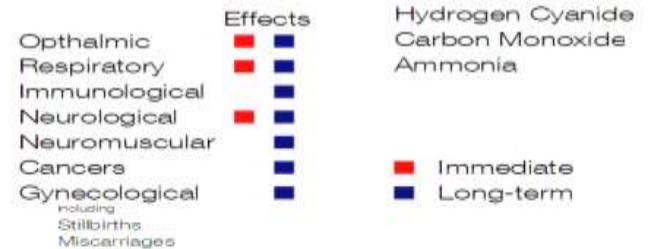


\$2000 fine



Government numbers Amnesty International (AI) numbers

Tons of gases dispersed



Most likely:
 Hydrogen Cyanide
 Carbon Monoxide
 Ammonia

Immediate
 Long-term

558,125 cases



- Permanent Disability Rs. 500,000
- Temporary Partial Disablement Rs. 200,000
- Minor Injury Unspecified

October 2008 Affidavit filed in Supreme Court by GOI

Rs. 15.49 bn

disbursed amongst

574,366 cases

MP State Govt. report, 2009

Sources:
http://en.wikipedia.org/wiki/Bhopal_disaster
<http://www.mp.gov.in/bgtrdmp/facts.htm>
<http://www.first14.com/bhopal-gas-tragedy-92-injuries-termed-minor-822.html>
 Business-Standard; <http://bit.ly/hja8v0>
<http://www.amnesty.org/en/library/info/ASA20/015/2004>
<http://www.livemint.com/2010/06/07164024/Timeline--Bhopal-gas-tragedy.html>

POINT WHERE THE ETHICS OF THE COMPANY WENT WRONG

- Negligence of health, safety and welfare of the people.
- Carelessness towards building of preventive infrastructure.
- Choice of location while you are dealing with the dangerous chemicals also went wrong.
- Lack of education to the employees about the safety measures , equipments and harmful effects.
- Ignorance towards the inspection report submitted by the parent company on potential disaster.
- The MIC tank alarms had not worked for past 4 years but the administration chose to ignore it.
- In order to save the energy the refrigeration power was idle and the temperature was not kept at 4.5 degree Celsius as per the manual.

- The manual provided by the company to the employees was printed in English language which was hardly understood by any.
- No employee welfare scheme for the protection of employees against any such unfortunate happening.
- Irresponsible towards the victims of this unfortunate happening.
- Safety systems were non-functional since months but no diligence was taken by the authority.
- Cooling system of chemical was shut since months before the tragedy.

WERE ETHICS OF CARE FOLLOWED ?

Ethics of care is all about caring for the people who would be affected by the actions and decisions made by an organization. And if we talk about the tragedy presence of ETHICS OF CARE was nil. Let us know why and how?

- **Is the justice served?**

A big no. Justice wasn't thought by the company neither before nor after the tragedy. All that was looked upon saving few bucks and put the life of millions in danger. Even after the tragedy the victims were left in a horrific condition.

- Is the equality practiced?

In this case all that was cared about was how to get the chairman of the company safe back to his home country. So there is no point of equality being served to anyone who was affected by the actions and decisions.

- How would the authorities feel if they are put in similar situation?

The victims would feel pathetic as the one they worked out did not even bother about the safety measures that actually cost them their lives. So if any time the organization had to talk about ethics they should just now what kind of working environment and safety measures they would like for themselves and then move further.

- What is the right thing?

The most righteous thing one can do is taking the maximum possible safety measures for the well being of his employees. He should take it as his primary responsibility to provide them the most safe and fair working environment and this is where the authorities of CIL failed miserably. Even after the mishap they didn't do the right thing i.e. to at least stand by the side of victim and do the best they could for them.

PARTIES RESPONSIBLE FOR UNETHICAL ISSUES:

When it comes to the following of ethical code of conduct , not only the company but other stakeholders also have equal responsibility for the damage caused like in BHOPAL GAS TRAGEDY the parties responsible were:

- Government of India: The central government of any country is responsible for the environmental issues related to the industries. The government should have kept a check on the working of the industries using such dreadful chemicals.
- Bhopal Union Carbide limited: The major responsibility lies with the company itself in ensuring the safe and healthy environment to those in and around the organization. Putting anyone's life at risk is not acceptable at any costs.
- Union Carbide limited: The chairman of the company Anderson made contact with the Government of India to set up the pesticide plant without glancing the negative impacts it could leave if not handled judiciously.

REFUSAL BY THE CARBIDE TO TAKE THE BLAME FOR THE UNETHICAL ISSUES:

The UCIL held 50.9% stake in the Indian subsidiary which clearly states that it was responsible for the management of the company but after the tragedy they came up with the following answers:

- The gas was just irritating and sort of tear gas, nothing dangerous.
- According to the Carbide the company was handled by Indian management so they could not be held responsible in any manner.
- To put the cherry on the cake they held Indian government responsible for it and laid down that the government did not take enough protection measures in spite of being aware of the toxicity of the poisonous gas.

WAS ANY ETHICS FOLLOWED AFTER THE TRAGEDY? LETS FIND OUT...

- After the tragedy there was the blame game played by the parent company just to protect itself from any kind of legal matters.
- No arrangements were made by the company to compensate the loss of victims or for their treatment.
- The judgment and the final verdict of the case was delivered after 26 years under the Section 35 of Indian Penal act.
- After the long hearing UCC agreed to pay 470 million dollar to the India but if the damages exceed more than this amount they are not held responsible. This included the treatment expenses, compensation etc.
- The Indian government denied any kind of permanent injuries.

- The government of India sent the chairman of the company Anderson safely to his country.
- The council of Scientific and industrial research were forbidden to publish any kind of health effects until 1994.
- Indian government passed Bhopal Gas leak disaster Act 1985 which formulated the schemes to compensate the victims.

ALL THAT CAN BE CONCLUDED IS:

- Ethics are that part of the organization that cannot be ignored at any cost else it can lead to the disasters like this.
- Rather than running behind the profits the organizations should realize that the safety and health of their workers, employees and other stakeholders is their biggest capital.
- If the company will not follow the ethics, the company will not survive or succeed.
- All the organizations should make sure that they are formulating the laws for the company keeping the ethical code of conduct in mind.
- If any such toxic chemicals are used by any industry government should ensure proper checking of such industries at regular time intervals. Such industries should be placed under complete surveillance.

- The most important thing if any such unfortunate event happens government should penalize the culprits and if not that compensate the victims. The life gone cannot be brought back but those who are battling the fight can be given assured medical and financial assistance
- Speedy justice mechanism should be made by the government to ensure that justice is not delayed as justice delayed is justice denied.
- Such event raises question of who is right or who is wrong or who was negligent which are completely irrelevant at the times like these where lakhs of lives are battling to live through.
- It is completely unjustifiable for any company to ignore their ethical values just for the sake of profits or money.

Thank You