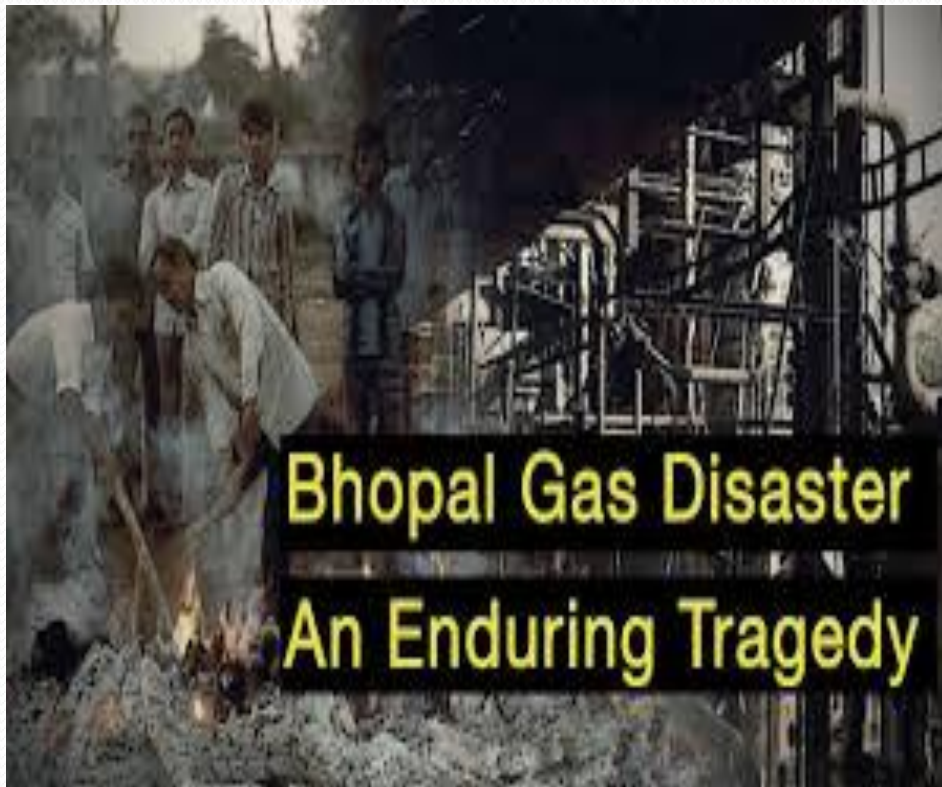




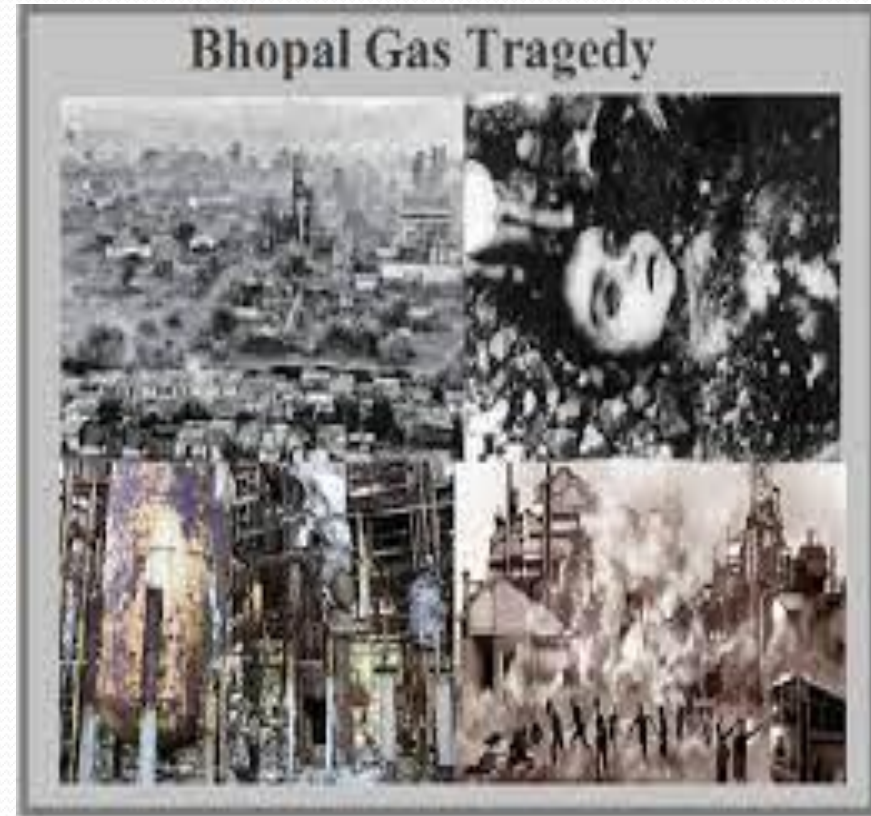
**BUSINESS ETHICS
AND
CORPORATE
GOVERNANCE**

BHOPAL GAS TRAGEDY



OUTLINE

- Introduction
- History
- How did it start?
- Overcome the tragedy
- Affected areas
- Problems
- Causes of problem
- Other cases
- Contribution to negligence
- Hide the fact & not take blame
- The legal wrangling
- Popular culture
- Conclusion



INTRODUCTION

- On 2-3 December 1984, the greatest industrial disaster in the world history happens due to chemical reaction in UNION CARBIDE FACTORY.
- The highly toxic substance made its way into and around the small towns located near the plant.
- MIC is used in producing pesticides. Sevin leaked in plant.
- Over 500,000 people were exposed to Methyl Isocyanate (MIC) gas. Most affected areas were “squatter settlement” and “densely populated shanty towns” surrounding the plant.

HISTORY

- Bhopal facility was set up as a means to promote India's green revolution that aimed to increase the productivity of crops in India.
- Due to increased production in 1960s-70s the decision to manufacture pesticides had been taken & to impose the imports.
- In 1969, the American Union Carbide Corporation (UCC) (parent company) set up a small plant Union Carbide India Ltd. (UCIL) (subsidiary company) in Bhopal, Madhya Pradesh to produce pesticides.
- Bhopal was chosen a site for the carbide (carbon) plant because of its central location in India (Railway station, Large lake).
- After 1979, UCIL started to manufacture its own MIC and its own dangerous chemical. It is lighter than water but twice as heavy as air.

Bhopal gas tragedy:

Who is Warren Anderson?

The man the victims blame for the tragedy is Warren Anderson, whose plant was the source of the deadly Methyl Isocyanide gas. He was charged with culpable homicide not amounting to murder. Yet, just four days after the tragedy, Anderson flew out of Bhopal on the official plane of Arjun Singh. Anderson, now almost 90 years old, was the Chairman and CEO of Union Carbide when the lethal gas leaked on the intervening night of December 2 and 3, 1984.

Anderson is believed to have taken key decisions, including a cost-cutting measure that compromised safety at the gas plant. Security precautions too were inadequate. After the gas leak, Anderson was arrested and then released on bail by the Madhya Pradesh Police on December 7, 1984. He left India immediately after signing a bond of 25,000 rupees and has refused to return ever since. He has never appeared in court or even been in India

to explain what happened. In 1992, Anderson was declared a fugitive by the Bhopal court for failing to appear for hearings.

Once he was declared absconding, his case was isolated from the case in which eight Indians then employed by Union Carbide have been convicted now.

Victims say that Anderson, as the head of the company, knew that the plant stocked toxic gas within city limits and that it could cause huge damage in case of an accident. The Indian government has come in for much criticism over the way it handled the Anderson case. It took the government almost 19 years to move a formal request for his extradition. It did so in May 2003. In June 2004, the US rejected India's request for the extradition of Anderson saying the request did not "meet requirements of certain provisions" of the bilateral extradition treaty. In July 2009, an arrest warrant was issued for him after an appeal by a victims' group. The arrest, however, did not take place. He lives a life of luxury in New York.

HOW DID IT START?

- The leakage was first detected by workers on the night of December 2nd, 1984 at 11:30 pm when the eyes began to tear and burn.
- They informed supervisor who failed to take action.
- Factory alarm meant for workers was sounded by various workers at 12:50 pm.
- Management turned off the alarm, also delayed public alarm as it was late at 2am by which 40 tonnes of MIC, poured out of tank and escaped in air.
- More than 3,500n people were killed in sleep, about 40,000 remain affected on next day.

OVERCOME THE TRADEGY

VENT GAS SCRUBBER

A FLARE TOWER

A WATER CURTAIN

REFRIGERATION SYSTEM

A SPARE TANK

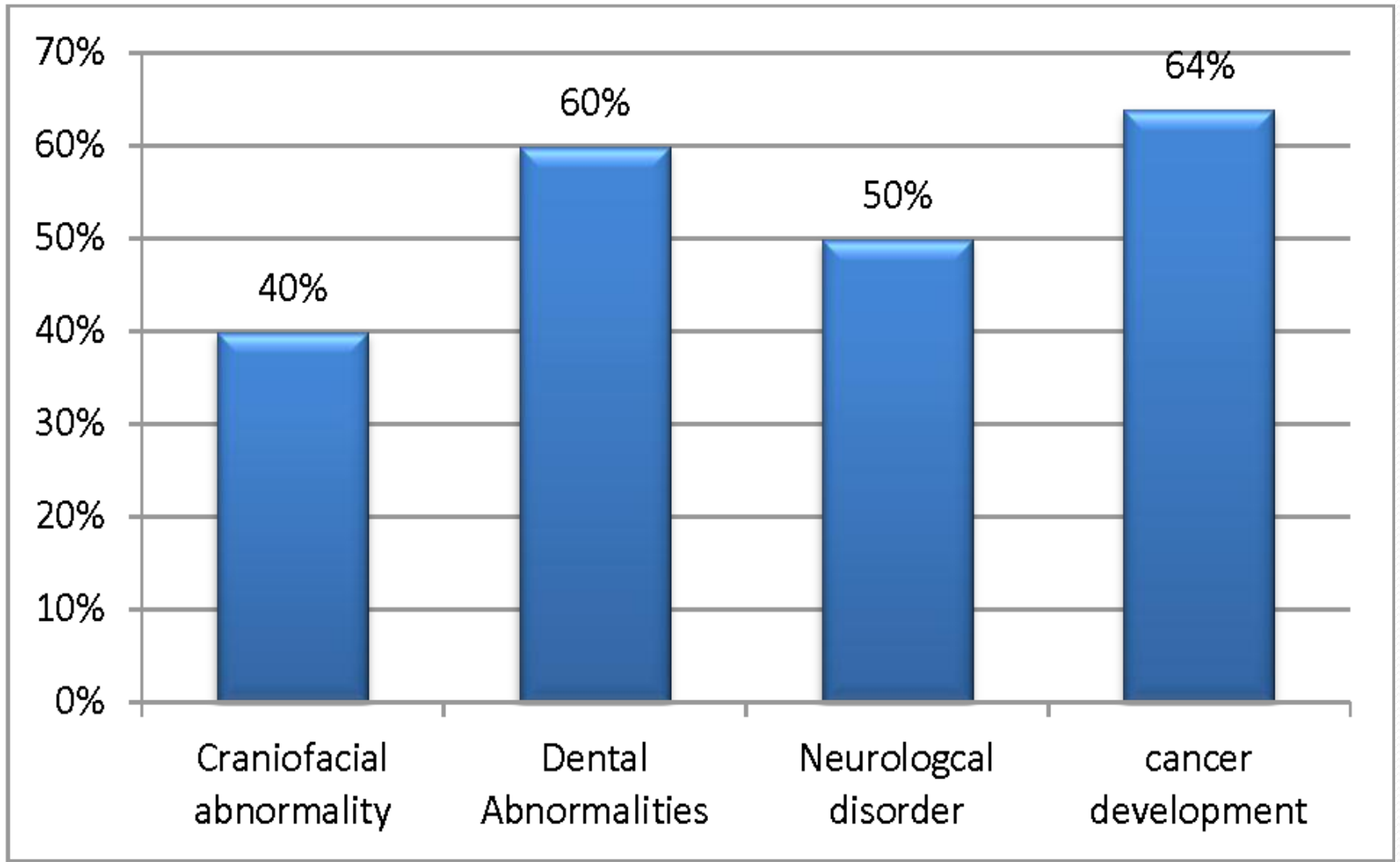
AFFECTED AREAS

- Mainly :
 - ❑ Squatter settlements
 - ❑ Populated shanty towns
- Otherwise whole Bhopal had and even still facing problems.



PROBLEMS FACED DUE TO TRAGEDY

- Causing respiratory ailments i.e. chronic bronchitis & emphysema.
- Gastrointestinal problems i.e. acidity & chronic gastritis.
- Ophthalmic problems i.e. chronic conjunctivitis, Cary cataracts & vision problems.
- Neurological disorder.
- Psychiatric problems
- Musculoskeletal problems.
- Gynecological.



CAUSES OF PROBLEM

- Legal Error
- Technological Error
- Organizational Error
- Human Error
- Corporate negligence
- Underinvestment
- Adequacy of equipment and regulations
- Safety audits/ measures
- Employee sabotage

OTHER CASES

- Use of more dangerous pesticides manufacturing method for decreasing the generation cost.
- Plant located very close to a densely populated areas.
- Lack of skilled operators.
- Reduction of safety management.
- Improper safety measure.

Contribution/ defects to negligence

- UCIL didn't maintain any rule.
- A pipe leaked? Don't replace it.
- MIC workers needed more training.
- The flare tower was turned off waiting for replacement of corroded pipe.
- Gauges measuring temperature and pressure in various parts of units, including MIC tank were so notoriously and unreliable.
- Refrigeration unit for keeping MIC at low temperature had been shut off to save about Rs. 700 per day.

- Gas trouble designed to neutralize any escaping MIC had been shut down for maintenance.
- They follow double standard with reference to Bhopal factory.
- Alarm on the storage tank failed to signal the increase of temperature on night of disaster showing lack of effective warning system.
- Maximum permissible storage limit for MIC s only half tone in US and Europe. But in India, there is no limit.
- A storage tank which was supposed to be held in reserve for excess MIC, already contained too much MIC (610 tank).

TRAGEDY THAT WAITING TO HAPPEN

- Though disaster happened suddenly and without immediate warning, it is totally unexpected.
- Team of UCC said that “ a serious potential for sizeable release of toxic in MIC unit either due to equipment failure, maintenance problems thus requiring various changes to reduce the danger of plant; there is no evidence the recommendations were ever implemented”.
- Further they said, ‘carbide shows wantol and willful disregard for health and safety of its workers and the community’.
- A scientific report said that ‘ A major discharge of toxic substance into environment and a major generator of hazardous waste’.

Hide the facts & not take the blame

- Carbide try to hide its poor safety and maintenance record along with other faults which were already mentioned.
- They said that ‘they are company was victim of any dissatisfied employee’.
- UCC twist the situation by saying that they controlled only 50.9% stake in UCCIL & it was a Indian company as well as independent.
- Company was charged by Government of India and state of Madhya Pradesh with contributory responsible for gas leak and toxicity of gas and for not taking necessary precautions to prevent the disaster.

LEGAL WRANGLING

- International law at present plays almost no role in a Bhopal tragedy type of event.
- Bhopal disaster gave rise to world's largest lawsuit, one that spanned half-way around the world and dragged on for more than seven years to settle basic issues.
- Lawsuits were filed in both US and Indian courts, but it was decided that the case should be tried only in Indian court.
- Lawsuit in US courts were refused on the grounds that immediate location of accident was in India, victims were all Indians & US connection didn't appear to give an unusual degree of control.
- Special welfare commission, claimants in appropriate forum and others staff to perform their duties with hearing of claims and distribution of compensation.

- Government formulated the scheme known as Bhopal Gas Leak Disaster Scheme.
- Union Carbide paid compensation that victims have said was grossly inadequate.
- The payment of compensation to 5,72,029 victims was carried out in a span of more than 12 years.
- If they were paid any amount that was paid in pr rata amount could be pay out to claimants within six months.
- Even more than 20 or 30 percent of claimants were not available.
- As per official report, over 3,000 people had died in the tragedy. The Union Carbide Corporation (UCC) gave a compensation of \$470 million (715 crore). The survivors of the tragedy have been fighting for adequate compensation and adequate medical treatment for ailments caused by the toxic gas.

ACTIVIST ORGANIZATIONS

- Bhopal People's Health and Documentation Clinic
- More than 14 different NGOs and 15 international, national and local organizations have been engaged including:
 - I. International Campaign for Justice in Bhopal coordinates international activities
 - II. Bhopal Medical Appeal, collects funds for the Sambhavna Trust
 - III. Bhopal People's Health and Documentation Clinic. Provides medical care for gas affected patients and those living in water-contaminated area
 - IV. Chingari Trust, provides medical care for children being born in Bhopal with malformations and brain damages
 - V. Bhopal Gas Peedit Mahila-Stationery Karmachari Sangh
 - VI. Bhopal Gas Peedit Mahila Udyog Sangthan

POPULAR CULTURE

Novels

- Amulya Malladi's 2002 novel *A Breath of Fresh Air* relates the story of a mother and son who develop health issues as a result of exposure to gas at Bhopal. The book is based on Malladi's recollections of Bhopal during the incident.
- Indra Sinha released *Animal's People* in 2007. The novel tells the story of a boy who is born with a spinal condition due to effects of the gas. The book was shortlisted for the Man Booker Prize.
- Arundhati Roy's 2017 novel *The Ministry of Utmost Happiness* which deals with political issues & dealing with the aftermath of the gas leak.

- Annie Murray's novel *Mother and Child* (2019) is partly set in post-disaster Bhopal.

Music

- B. Dolan - *RSVP*
- Renaud - *Morts les enfants*



Film

- Indian filmmaker Tapan Bose made *Bhopal: Beyond Genocide* (1986), a documentary film on the disaster.
- In 1999, a Hindi film dealing with the tragedy, *Bhopal Express*, was released.
- In 2014, 30th anniversary of the disaster, historical drama *Bhopal: A Prayer for Rain* was released.

Conclusion

Even as society appears to be getting corrupt and criminal, many of them are still following their values. One needs to stick to one's principles. To achieve profits or competitive advantage, one doesn't need to break our values and principles by breaching the trust of customers and society.

Capitalism is dominated by profits and thus, promotes "MAMMON WORSHIP". This is an amoral motive, which allows one to hire and fire workers to suit ones convenience, big companies swallows small companies, to send their toxic waste to another companies.

Victims of Bhopal Gas Tragedy believes that this is not a final judgment of Bhopal. And there only motto is NO MORE BHOPAL.



THANK YOU