

Ques type 1.

write the principles of MNCs and Morality

MNCs and Morality

The economic and environmental conditions of the home and host countries may vary. But the multinational institutions have to adopt appropriate measures not to disturb or dislocate the social and living conditions and cultures of the host countries. A few principles are enlisted here:

1. MNC should respect the basic human rights of the people of the host countries.
2. The activities of the MNC should give economic and transfer technical benefits, and implement welfare measures of the workers of the host countries.
3. The business practices of the multinational organizations should improve and promote morally justified institutions in the host countries.

4. The multinationals must respect the laws and political set up, besides cultures and promote the cultures of the host countries.

5. The multinational organizations should provide a fair remuneration to the employees of the host countries. If the remuneration is high as that of home country, this may create tensions and if it is too low it will lead to exploitation.

6. Multinational institutions should provide necessary safety for the workers when they are engaged in hazardous activities and 'informed consent' should be obtained from them. Adequate compensation should be paid to them for the additional risks undertaken.

Case Study: Bhopal Gas Tragedy

- In 1983, there were 14 plants in India manufacturing chemicals, pesticides, and other hazardous products. The Bhopal plant had a license to make Methyl isocyanate-based pesticides. In November 1984, they had decided to close down the plant. For quite some years before the production rate was going down.
- In the history of chemical plants disasters, three other wake-up calls were reported. Flixborough accident in 1974 in U.K. when certain modifications carried out in the plant led to the leakage and explosion of cyclohexane, which killed 28 people. The Piper Alpha offshore oil platform disaster in 1988, near Scotland, killed 167 people and resulted in \$ 2 billion losses. The third occurred in Toulouse, France in 2001, killing 29 people, and injuring thousands. A warehouse holding 300 tones of ammonium nitrate fertilizer exploded and damaged 10000 buildings, including schools, a university, and a hospital. But we have not learnt from the past.
- The cumulative effects of the following factors caused the tragedy in Bhopal on December 3, 1984

Technologically, the tragedy was caused by a series of events listed:

1. The safety manual of Union Carbide prescribed that the MIC tanks were to be filled only up to 60% of the capacity. But the tanks were reported to have been filled up to 75%.
2. The safety policy prescribed that an empty tank should be available as a stand-by in case of emergency. But the emergency tank was also filled with to its full capacity. These facts confirmed that the MNC had not followed and implemented appropriate safety standards of the home country in the host country. Can this be called as an example of 'misappropriate technology'?
3. The storage tanks should be refrigerated to make the chemical less reactive. But here the refrigeration system was shut down as an economy measure. This raised the temperature of the gas stored.
4. The plant was shut down for maintenance two months earlier. The worker who cleaned the pipes and filters connected to the tanks and closed the valves, was not trained properly. He did not insert the safety disks to prevent any possible leakage of the gas. This led to the build up of temperature and pressure in the storage tanks.

5. When the gas started leaking out, the operators tried to use the vent gas-scrubber that was designed to reduce the exhausting gas. But that scrubber was also shut down.

6. There was a flare tower that was designed to burn-off the gas escaping from the scrubber. That was not also in working condition.

7. The workers finally tried to spray water up to 100 feet to quench the gas (which is water soluble). But the gas was escaping from the chimney of 120-feet high.

8. The workers were not trained on safety drills or emergency drills or any evacuation plans.

The gas escaped into the air and spread over 40 sq. km. About 600 people died and left 7000 injured and the health of about 2 million people was affected adversely. Even after 22 years, influence of the Central Government and the courts, the compensation had not reached all the affected people.

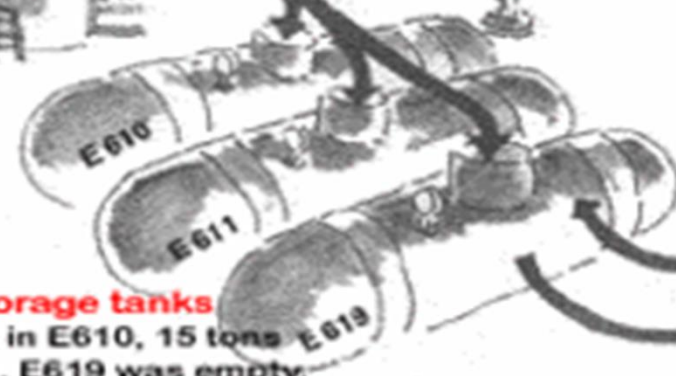


Vent gas scrubber
Leaking gas could have been detoxified, but the scrubber was turned off.

Flare tower
Designed to burn off gas, but a connecting pipe had been removed for maintenance.



Water curtain
Not high enough to reach gas.



MIC storage tanks
40 tons in E610, 15 tons in E611, E619 was empty. Water leaked into E610 causing runaway heat-producing reaction



Refrigeration system
Freon system to cool liquid MIC was shut down in June 1984 to save money and Freon shipped to other plants.