
Values, Ethics and Business Decisions

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Corporate Social Responsibility: The Bhopal
Gas Tragedy

Five Past Midnight in Bhopal

What happened on the night of
December 2nd-3rd 1984 in
Bhopal?

A Tragedy

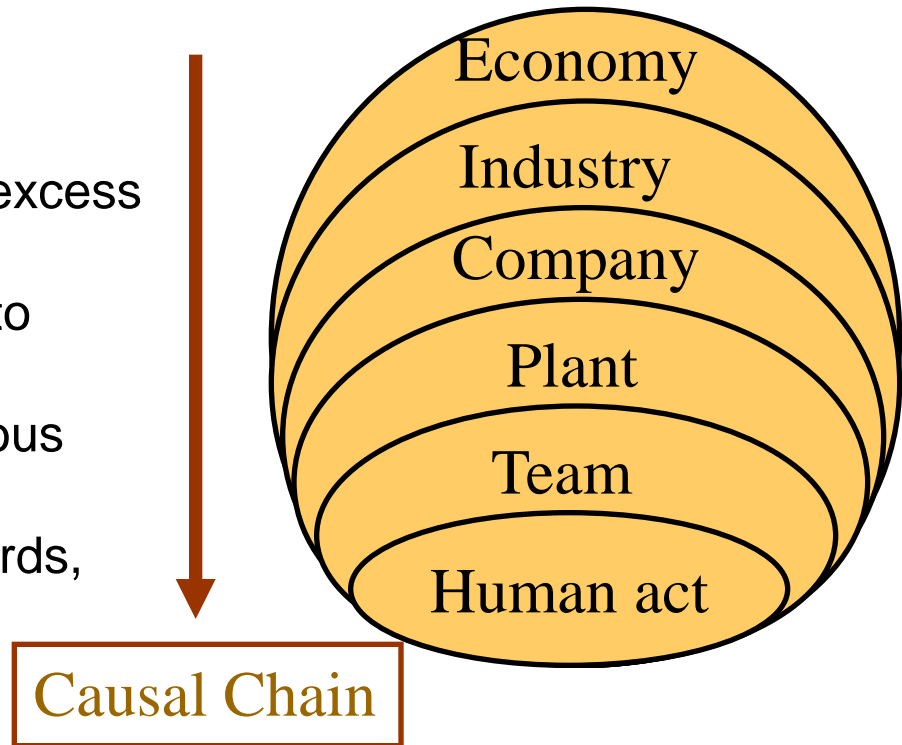
- Water enters IC storage tank 610. The refrigeration unit, which should have kept the MIC close to 0°Celsius, is shut off.
 - The water triggers off an exothermic runaway reaction and consequently the release of the lethal gas mixture, a poisonous cloud of MIC, hydrogen cyanide, monomethylamine, carbon monoxide and possibly 20 other chemicals.
 - The cloud of gas envelops the city like an arc of over 20 square kms before the residents could run away.
 - No stock of antidote is available. The composition of the poisonous cloud is not known.
 - Up to 10,000 people may have died.
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The Causes

What are the causes of this tragedy?

Viewed from the Context

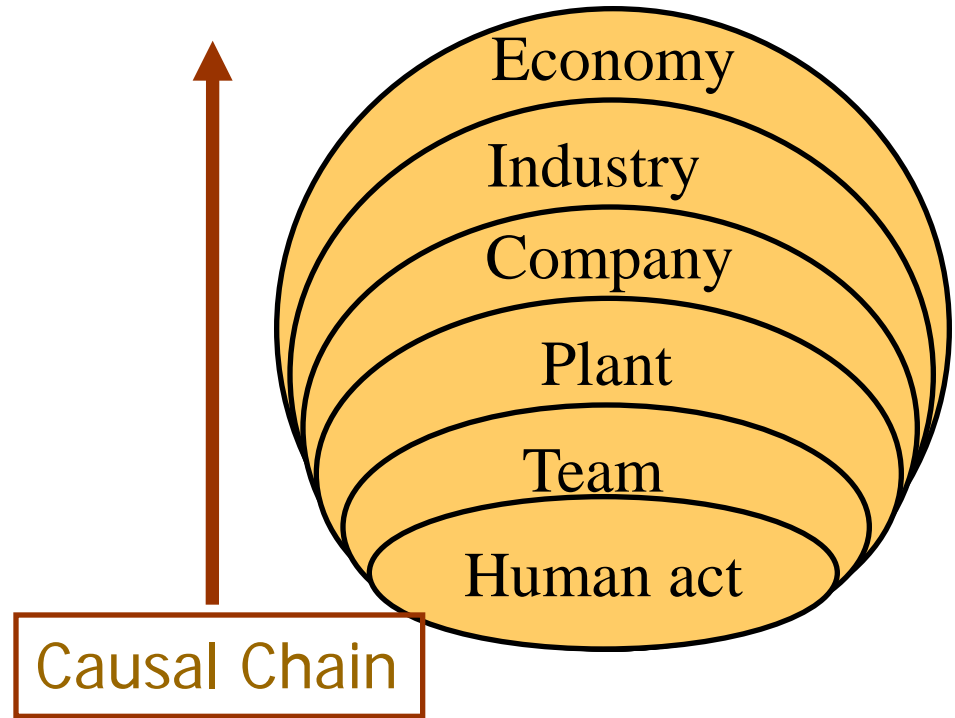
- Overconfidence in the production technology, leading to the choice of a dangerous process;
- Overcapacity of the plant, leading to excess storage of a dangerous product;
- Bad economic performance, leading to disinterest and disinvestment;
- Bad management, leading to dangerous cost reductions;
- Insufficient safety training and standards, leading to unskilled behaviour.



With such a causal chain, a catastrophe is bound to occur.
It appears a criminal act due to systematic negligence.
The responsibility of the corporation is strong.
This is the perspective of survivors and activists.

Viewed from the Act

- An act of sabotage, leading to an un-expectable event;
- A negligent worker, leading to a breach of standards;
- An uncontrolled subsidiary, leading to an independent event;
- An event with low probability (a 100% safe plant does not exist).



With such a causal chain, the accident appears **contingent** and **non-intentional**.

Employees' responsibility is **primary**;

The responsibility of the CEO is **residual**.

This is the perspective of Union Carbide legal counsel.

Business consequences

- UCC filed a counter-suit against the Indian government and the state of Madhya Pradesh.
 - UC paid \$470 million in 1989, following a settlement by the Indian Supreme Court; the settlement led to an increase of stock value of 2\$ per share.
 - In 2001, the Bhopal court summoned Warren Anderson for “homicide in a criminal case”; He never appeared in the court.
 - UC shares in UCIL were sold in 1994. This contributed to fund a 500 bed hospital UC was requested to build.
 - In 1998, the land, which was leased, was returned without decontamination to the MP government.
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Human Consequences

- Total dead toll today is > 30,000 people
- Over 500,000 people suffer multi-systemic injuries.
- 10-15 people continue to die each month from illnesses related to exposure to the toxic gases.
- Most common symptoms: breathlessness; loss of appetite; pain; menstrual irregularities; recurrent fever; persistent cough; neurological disorders; fatigue; weakness; anxiety and depression.
- The children of the survivors have various medical problems, including lower IQ's, respiratory problems and menstrual irregularities.
- Research findings on chromosomal aberrations suggest that future generations of the survivors will be affected.
- The 1989 settlement of \$470 million was made without any consultation with the survivors. Average pay out for personal injury was barely enough money to cover medical expenses for 5 years. Many of these people and their children will be sick all their lives.

25 years after, the tragedy continues

Environmental Consequences

- Union Carbide abandoned the factory and left behind large quantities of dangerous poisons.
 - Today, the site is heavily contaminated with mercury and pesticides and other toxic products.
 - Communities in the neighbourhood are consuming heavily contaminated water.
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Three Unfulfilled Wishes

- That the victims are fairly compensated for the damage;
 - That the environmental damage has been repaired;
 - That everything has been done for such a tragedy never to happen again.
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Corporate Social Responsibility

In 2001, Dow Chemical bought Union Carbide for \$9.3 billion. Dow became the largest chemical company in the world.

What are the responsibilities of Dow Chemical with regards to the Bhopal tragedy?

What Dow Chemical could do about Bhopal?

A Word from Dow

We respect that for some people, responsibility for this accident continues to be an unresolved issue. This doesn't change the facts that we inherited no responsibility. Still, some people would have us take action to resolve their concerns. But, we are aware of potentially significant legal risks associated with such actions and we will not compromise our obligation to protect our shareholder interests.

William Stavropoulos, CEO

A Word of a Survivor

*The happiness of selfless service is greater
than all happiness*

Rayeesa Bee

Questions for Meditation

- Who benefits?
- Who suffers?
- Who loves?

To pay tribute, share their pain and give our love
