

Scope and Complexity: Society's problems are too massive, too complex, and too deep seated to be solved by even the most socially conscientious company or even by all companies acting together.

The problems such as environmental pollution-acid rain, ozone depletion, destruction of rain forests; health problems-AIDS, drug and tobacco use; racial discrimination; sex discrimination; ethnic and religious animosities and the like defy solutions however conscientious one might be.

Business has its own limitations. It should deliver quality goods at reasonable prices, earn profits for shareholders, pay taxes to the government and plan strategies to survive in the competitive world. Amidst such varied problems, how can business solve yet another complex problem, viz., social responsibility?

COMMON CHARACTERISTICS

More and more companies are realizing that their actions can no longer be judged by their thick bottom lines.

As the 1990s wear on, more and more companies are realising that they can no more function or be judged solely on the basis of their thick bottom lines. A positive impact on employees, customers and the community at large has assumed an equal or even greater significance in the overall picture. This realisation has made them undertake socially responsive actions. All companies with social orientation exhibit 14 characteristics as shown in Table 33.3.

THE EVOLVING IDEA OF SOCIAL RESPONSIBILITY

The social responsibility idea evolved over a period of time. Some major stages in the long history are outlined here.

Business Social Responsibilities in Classical Economic Theory¹⁵

Throughout history, classical economic theory has been the fundamental inspiration of people in business. In the classical economic view, a business is acting in a socially responsible fashion if it utilizes resources as efficiently as possible to produce goods and services that society wants at prices consumers are willing to pay. The sole objective of business is to maximize profits while operating, of course, within the law. If this is done, say classical theorists, firms carry out their major responsibility.

The classical economic theory assigned profit making as the sole responsibility of business.

This easily understood goal, derived from Adam Smith's *Wealth of Nations*, was never sought in business practice without reservations. Even Adam Smith voiced a surprising number of exceptions to his principles for social reasons. Throughout our history, business and business people have modified the strict profit maximization principle to address social concerns-not much at first, but more and more over time. Nevertheless, today, this fundamental classical ideology remains entrenched.

The Eighteenth and Nineteenth Centuries

In the colonial era, businesses were very small. Merchants practised thrift and frugality, which were dominant virtues then. But charity was a co-existing virtue

Table 33.3

*Common
Characteristics
of Socially
Responsible
Firms*

1.	Initially founded by far-sighted people who visibly set the firm's moral tone.
2.	Stuck to the basics and produced only high quality goods and services for specific market niches.
3.	Developed a public image that emphasised their commitment to quality and often used non-traditional means to promote it.
4.	Firmly practised the dual principles of self-management and decentralisation.
5.	Brought in outside people to provide needed talent and additional perspectives.
6.	Encouraged all employees to become part of the shared mission through full worker participation in decisions.
7.	Paid fairly and usually offered benefit packages exceeding the competition.
8.	Emphasised a democratic people orientation and did without executive perks.
9.	Constantly solicited feedback from customers on all subjects from product direction to corporate donations.
10.	Top managers possessed an extensive knowledge of current events and took a wide-ranging interest in affairs outside their business.
11.	Offered donations in cash or services to people in need of help.
12.	Took an active role in the operations of their local communities.
13.	Deal with like-minded businesses and encourage their employees to do the same.
14.	Constantly look to the future but always pay attention to the past.

and the owners of these small enterprises made contributions to schools, churches and the poor.

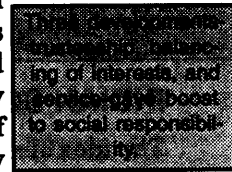
In the early nineteenth century, companies were not effusive in their social concerns. Charitable contributions continued and grew over time as great fortunes in business were made. In most cases, wealthy entrepreneurs who gave their fortunes to benefit society did so without any reference to the interests of the companies that were the fountainheads of their wealth.

For instance, John D. Rockefeller, who accumulated a fortune in the second half of the nineteenth century, gave in his lifetime, more than \$550 million and endowed the Rockefeller Foundation, "*to promote the well-being of mankind throughout the world.*" Andrew Carnegie gave away \$350 million during his lifetime to social causes, built 2,811 public libraries and gave 7,689 organs to American churches.¹⁶

Changing Views of Social Responsibility in the Late Nineteenth and Early Twentieth Centuries

During the latter part of the nineteenth century and into the twentieth, a number of forces converged to lead business leaders, especially of the larger corporations, to address social problems out of self-interest. Vigorous industrial growth had many negative social impacts. Business feared new government regulations and sought to blunt their urgency. Business leaders, many of whom by this time were not the original entrepreneurs, but owned only a small part of the stock of the companies they managed, felt freer to use corporate assets for social action. Business sought and found arguments to circumvent the *ultra vires* doctrine.

By the 1920s, three inter-related themes had emerged to justify broader business social responsibility. *First*, managers were *trustees*, that is, agents whose corporate roles put them in positions of power where they could enhance the welfare of not only stockholders, but others such as customers, employees and communities. *Secondly*, managers believed they had an obligation to *balance* the interests of these groups. They were, in effect, coordinators who reconciled the competing claims of multiple stakeholders on their enterprises. And *thirdly*, many managers subscribed to the *service principle*, a principle with two distinct definitions. One definition was a near-spiritual belief that business, simply by operating for profit, had the power to redeem society by creating a broad general welfare. If individual managers served society by making a business economically successful; the aggregate business system would then work to eradicate social injustice, poverty and other ills. A second understanding of the service principle, however, was that although the capitalist system elevated humanity, individual companies and managers were still obligated to undertake social programmes to benefit or serve the public.



These three inter-related ideas—trusteeship, balancing of interests and service—were accepted by more and more business and opinion leaders. Although uplifting, they did not foster lavish contributions for social programmes, nor did they divert most individual managers from their *laissez-faire* attitudes and dominant emphasis on profits.¹⁷

The Contemporary View of Social Responsibility

In the last forty years, the concept of business social responsibility has continued to evolve and expand. Today, the efficient use of resources to make a profit is still seen as the primary social responsibility of business. But added to economic performance are the ideas of previous eras about the meaning of social responsibility. The view that total social responsibilities are broader than simple economic responsibilities, has become more compelling, more accepted by managers and more widely put into practice than ever before.

The range of social programs assumed by business has continuously expanded since the early years of the century. Today, corporations carry out a wide array of social actions. The span includes programmes for education, public health, employee welfare, housing, urban renewal, environmental protection, resource conservation,

day-care centres for working parents and many others. In each of these areas, the programmes that different corporations have implemented run into thousands.¹⁷

In a way, social responsibilities arise from the impacts of corporate actions on society.

The fundamental reason why the concept and range of social responsibilities have expanded is that accelerating industrial activity continuously changes society. In this situation, social responsibilities arise from the impacts of corporate actions on society. And we know more today about adverse consequences of some business activities.

For example, early in this century, carcinogens in industrial effluents were unknown.

Social programmes also arise from the intractable social problems in the corporation's environment.

Corporate social programmes also arise from a second source— intractable social problems in the corporation's environment. "A *healthy business and a sick society are hardly compatible*," notes Peter Drucker. Racism, wars, violent crime, epidemics such as AIDS and failing schools are societal pathologies a corporation has not caused but may benefit from mitigating.

INDIAN SCENARIO¹⁹

The idea of social responsibility is very old in our country. The concept of parting with a portion of one's surplus wealth for the good of society is neither modern nor a Western import into India. The business community occupied a significant place in ancient Indian society. Merchants were treated with respect and civility and regarded as an instrument of social good, not least because of their philanthropy. Nourished by a social and religious ethic which put charitable giving high on its list of virtues, charity was an ingrained part of the life of most hereditary merchant communities that form the backbone of the modern business class.

The idea of corporate charity was foreign to India.

Merchants provided relief in times of famine or epidemics by throwing open godowns of food and treasure chests to look after the needy; built and supported temples, *dharamshalas* (pilgrim rest houses), night shelters, bathing *ghats*, water tanks, wells and *panjrapoles* (animal refuges) and provided drinking water facilities. They donated for education in traditional schools and even for dowries for poor girls.

The practice of business giving continued through the ages, though as economic, political and social conditions changed, so did business response to social needs. This can be summed up as a shift from merchant charity to corporate citizenship. Four phases in the shift are distinct.

Four Phases of Modern Philanthropy

1850 - 1914

The first shift was from a more or less purely ameliorative charity for religious reasons and causes during the pre-industrial era (pre-1850), towards the more Western form of philanthropy in the period 1850-1914. The period saw the beginnings of industrialisation in India and like their counterparts in the West, the new rich business families began to set up trusts and endow a host of modern institutions such as schools, colleges, hospitals, orphanages and widows homes,

art galleries and museums for the welfare of society and the preservation and propagation of Indian culture. At the same time, they continued to contribute to older forms of charity such as building and maintenance of temples, *dharamshalas* and water tanks so that there were elements of both charity and philanthropy in business giving. The Gujarati and Parsi business communities of Mumbai in particular, led by Jamsetji Jejeebhoy, Jamsetji Tata, Sir Dinshaw Petit and Premchand Roychand, spearheaded the new trend. The early pioneers of industry were leaders not only in the economic but also the social fields and took active interest and part in the religious and social reforms and in public life.

1914 - 1960

In the second phase (1914-1960), which was the golden period of both Indian capitalism and business philanthropy, there was a maturing of philanthropic practice. Apart from making political donations for the freedom struggle, business also contributed to many of the social and cultural causes associated with the movement such as revival of Indian art and culture, nationalist education and so on. Many of India's leading businessmen-GD Birla, Jamnalal Bajaj, Lala Shri Ram, Ambalal Sarabhai and others came under the spell of Mahatma Gandhi and his theory of trusteeship of wealth. They contributed liberally to his programmes for the removal of untouchability, women's emancipation and rural reconstruction, even as the earlier preoccupation with creating a physical and social institutional infrastructure continued, further honed by the vision of a free, progressive and modern India.

When India became free, the independent state looked to the business community to propel the country to a prosperous future and in the euphoria of Independence, the business class, confident of its capabilities, responded both by creating more wealth and utilising it for non-business purposes. Several business leaders like GD Birla, JRD Tata, Lala Shri Ram, Kasturbhai Lalbhai and others, endowed institutes of scientific and technical research as well as art academies and institutes for the study of Indian history and culture. Many of the best Indian institutions in several fields, such as the Tata Institute of Fundamental Research, the Birla Institutes of Technology at Pilani and Ranchi, the Calico Textile Museum, Ahmedabad to name but a few, owe their existence to private business munificence of the time.

1960 - 1980

The next shift came in the 1960s which ushered in an era of economic and political troubles and saw the business community operating under several constraints. The state also took on many of the obligations that were traditionally the responsibility of the society as a whole, such as education, care of the sick, relief in the wake of natural calamities and care of the destitute. It led to a corresponding decrease of interest in private philanthropy. Mistrust of business consequent to sharp and unethical practices by some, coupled with high taxes to finance state-led development, further contributed to the disinclination to part with private wealth for public benefit. Ironically, the high tax regime aided by a deterioration in business morality led to a large expansion in the establishment of charitable trusts for purposes of tax planning.

The disillusionment consequent to the failure of the government to remove poverty and bring about social change at the pace required to remove the ever widening gap between the rich and the poor and to provide a richer quality of life, led to a renewed interest in private initiative to spearhead change. It made individuals look to voluntarism as a solution and an alternative to official action, and made business more conscious of the need to contribute to approved national development goals.

The 1970s thus saw a renewed corporate interest in social concerns and a new element emerged on the philanthropic scene—corporate philanthropy, as distinct from family business philanthropy. Spurred partly by the realisation that supporting community development through philanthropic giving is in their own best business interests and partly by the use of the carrot and stick method by the government, several business leaders began to advocate more social responsibility on the part of business. Of this, philanthropic giving was only one aspect, the others being more ethical business practices and concern for the physical environment in which business operated. There was a diversification in the causes supported, such as afforestation, science education for the people, preservation of monuments, women's rights and consumer education.

1980 -

The post-1980 period saw an upswing in business fortunes due to economic reforms and other factors and with it, a re-emergence of self-confidence. It increased both business willingness and ability to give, as well as public and government expectations of business. This contemporary phase, characterised by corporate citizenship, has seen a further swing away from charity and traditional philanthropy towards more direct engagement in mainstream development concerns and in helping disadvantaged groups in the society.

In sum, the development of business and industry in India has been accompanied by a clear change in the attitudes of society and the business community itself about its obligations to society and how they need to be expressed. It may be stated that the shift from merchant charity to corporate citizenship is not complete and it is not unusual to find all the three—charity, philanthropy and corporate citizenship—being practised by the same business family or corporation.

Table 33.4 gives details about what corporate India has done in the name of social responsibility.

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts / Foundations	Fields Supported
Tatas	<ul style="list-style-type: none"> • Indian Institute of Science • Tata Institute of Social Sciences • Tata Memorial Rural Cancer Project • Tata Agriculture and Rural Training Centre for the Blind, Gujarat • Tata Memorial Centre for Cancer Research • Tata Institute of Fundamental Research • National Centre for Performing Arts • Tata Energy Research Institute • National Institute of Advanced Studies • Management Centre for Human Values 	<p>Through each individual company coordinated by Tata Council for Community Initiatives</p>	<ul style="list-style-type: none"> • Lady Tata Memorial Trust • Lady Meherbai D Tata Trust • JRD Tata Trust • Jamsetji Tata Trust • Sir Dorabji Tata Trust • Sir Ratan Tata Trust • JN Tata Endowment Fund for Higher Education 	<p>Scientific research education, health and community services, education in social work, art and culture, medicine, energy research, rural development</p>
Birlas (All Groups)	<ul style="list-style-type: none"> • Birla Institutes of Technology Pilani and Ranchi • Birla Institute of Scientific Research • Birla Eco. Research Foundation • Calcutta Medical Research Institute • BM Birla Heart Research Centre 	<p>Slum clearance scheme, Tenements for slum dwellers in Hyderabad</p>	<ul style="list-style-type: none"> • Hindustan Charity Trust • BM Birla Foundation • KK Birla Foundation • MP Birla Foundation 	<p>Technical education, agricultural research, medicine, art and culture, scientific research, education, temple building, renovation and archaeology</p>

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An Illustrative List of the Philanthropic Activities of Some Companies / Groups

<i>Company / Groups</i>	<i>Major Institutions Established</i>	<i>Company's Community Programme</i>	<i>Trusts / Foundations</i>	<i>Fields Supported</i>
	<ul style="list-style-type: none"> • Birla Archaeological and Cultural Research Institute • Birla Academy of Arts and Culture • Planetariums in various cities • Temples-Venkateshwara, Lakshmi Narayan, Kali, Hanuman, Natraj, Govind Deoji • Sanskrit Kala Mandir, Varanasi • Sangeet Sagar, Calcutta. • JD Birla Institute of Home Science • Schools and Colleges, e.g. Modern High School, Rani Birla Girls College 			
Videocon				Sports
Essar Group		Schools around plant		
Singhania	<ul style="list-style-type: none"> • Institute of Applied Physics and Technology, Allahabad • JK Institute of Sociology and Human Relations, Lucknow • Institute of Radiology and Cancer Research Centre • Institute of Cardiology • Lakshmipat Singhania Academy • Kamlapat Memorial Hospital, Kanpur • Sunitidevi Singhania Hospital and Medical Research Centre, Bombay • Pushpawati Singhania Research Institute for Liver and Renal and Digestive Diseases 	<ul style="list-style-type: none"> • Lala Kamalpat Primary School Building Trust • Lakshmipat Singhania Education Foundation • Lakshmipat Singhania Medical Foundation • Kailashpat Singhania Sports Foundation 	<ul style="list-style-type: none"> • Maintaining ambulances, blood banks, relief vans, laboratories 	<ul style="list-style-type: none"> • Primary education, higher education, technical education, social sciences, medicine and health care, religion and values, sports activities, city beautification

<i>Company/ Groups</i>	<i>Major Institutions Established</i>	<i>Company's Community Programme</i>	<i>Trusts/Foundations</i>	<i>Fields Supported</i>
	<ul style="list-style-type: none"> • Laksmipat Singhania Auditorium • Shripati Singhania Auditorium • Temples 			
Larsen and Toubro	<ul style="list-style-type: none"> • L&T Institute of Technology, Bombay • Polytechnics 	Life Line Express (Train), Hospital on wheels, L&T Welfare Centre, Family planning, Mother and child care, TB and Leprosy, AIDS control, TB clinic, Skills for self-employment, Tree plantation		Health, community welfare, etc., in Mumbai at HQ and around plants
Thapar Group	<ul style="list-style-type: none"> • Thapar Institute of Engineering and Technology, Patiala • Football Academy, Punjab 	Development of factory and neighbourhood		Technical education, sports, community welfare
Modis/All groups	<ul style="list-style-type: none"> • Shri Modi Eye Hospital and Ophthalmic Research Centre • MM Modi Degree College • Sanskrit Pathshala • Sainik Bhawan 	<ul style="list-style-type: none"> • Adult Education Centre • Mahila Samaj Kalyan Parishad • Samaj Kalyan Vibhag 	<ul style="list-style-type: none"> • RB Multinational Modi Charitable Trust • Modi Science Foundation • Modi Foundation • Dayawati Modi Foundation 	Medicine, scientific research, welfare of women, education, community welfare, religious and spiritual education
Godrej	<ul style="list-style-type: none"> • Dr BP Godrej Students Centre • SP Hakimji School • Foundation for Medical Research • Godrej Sailing Club 	Family planning centres, well baby clinics, Godrej Ganga Ecology Panel	<ul style="list-style-type: none"> • Pirojsha Godrej Foundation • Soonabai Pirojsha Godrej Foundation 	Education, health and medicine, sports, environment and wildlife, conservation of nature, family planning, arts

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts / Foundations	Fields Supported
	<ul style="list-style-type: none"> • Naoroj Pirojsha Godrej Boating Station • Godrej Technical Institute • Pirojsha Godrej Research Lab • Soonabai Godrej Dance Academy • Pirojsha Godrej National Conservation centre 			
Hero Honda	<ul style="list-style-type: none"> • Bahadur Chand Munjal Arya Model Senior Secondary School 	<ul style="list-style-type: none"> • Mobile clinics, schools, mini ITI round company units 		Education, environment, health, sports
Hindustan Levers		<ul style="list-style-type: none"> • Reclamation of land at Etah, dairy development at Etah, adopted Etah for development work, rural schools programme 		Community development, rural education
Mahindra & Mahindra			<ul style="list-style-type: none"> • Mahindra Foundation • KC Mahindra Education Trust 	Education, health, environment
Usha Martin		<ul style="list-style-type: none"> • Krishi Gram Vikas Kendra to implement rural development programmes 		Community development
MRF	<ul style="list-style-type: none"> • MRF Football Academy 		<ul style="list-style-type: none"> • MRF Pace Foundation 	Sports
TVS		<ul style="list-style-type: none"> • Community development work around factory units 		Rural community development

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts / Foundations	Fields Supported
ACC		Restoration and rehabilitation of used up mining water area forming rain bodies of rain water, recontouring afforestation, landscaping parks, creating green belts and bird sanctuaries, pollution control equipments		Environment, community development
RAMCO	<ul style="list-style-type: none"> • PAC Ramaswamy Raja Polytechnic • PA Chinnaiha Raja Memorial High School • PACR Ammani Ammal's Girls Higher Secondary School • TAKM Tamammal Elementary School • Sri Ram Primary School • Chinmaya Vidyalaya • Ramaswamy Raja Matriculation Higher Secondary School • RAMCO Industrial Training Institute • PAC Ramaswamy Raja Hospital • Temples • Hall at Loyala College • Sri Sarda College for Women • Sri Sankara College 	<ul style="list-style-type: none"> • Anti Polio Campaign • Vision Research Foundation • Anti Asthma Camps • Marriage Halls • Seminar Halls • Community Hall • Sri Meenakshi Sundershwar Temple 	<ul style="list-style-type: none"> • Raja Charity Trust • PAC Ramaswamy Raja Education Charity Trust • PACR Sethurammal Charity Trust 	Education, medical and health care, community welfare, culture, heritage and arts
Bajaj	<ul style="list-style-type: none"> • Institute of Gandhian Studies • Gandhi Centre for Science and Human Values • Jammalal Bajaj Institute of 		<ul style="list-style-type: none"> • Jammalal Bajaj Foundation • Jammalal Bajaj Seva Trust • Kamal Nayan 	Community development, higher education, upliftment of widows/orphans,

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts / Foundations	Fields Supported
	<p>Management Studies</p> <ul style="list-style-type: none"> • Shiksha Mandal • Gita Pratishthan • Gandhi Gyan Mandir • Gitai Mandir 		Bajaj Charitable Trust	scholarships, spiritual and cultural development, literacy
ITC	<ul style="list-style-type: none"> • ITC Sangeet Research Academy 	Tree plantation in cities, parks		Indian culture and heritage, sports, environment, education, wildlife, welfare of handicapped
Apeejay Surrendra	<ul style="list-style-type: none"> • Apeejay Schools • Kamala Memorial Society for the Handicapped • Medical Research Centre 		<ul style="list-style-type: none"> • Apeejay Trust 	Education, health, vocational training
Mafatal (Arvind Mafatal Group)	<ul style="list-style-type: none"> • Vidhyadham Higher Secondary School • Sri Ram Sanskrit Maha Vidyalaya • Shri Ram Mitra Mandal • Dr Manibhai Desai Management Training Centre 		<ul style="list-style-type: none"> • Shri Sadguru Seva Sangha Trust 	Community health care, family welfare, sports, education, livestock development, agriculture empowerment of women through education, self employment, famine relief
Magor-Macneill Williamson and Co Ltd	<ul style="list-style-type: none"> • Magor Football Academy • Sports Stadium, Tinsukhia • Prince of Wales Technical Institute • Dibrugarh Medical College • Assam Valley School • Assam Gallery and Arts Centre, Guwahati 	Community health programmes through hospitals, Diagnostic Centre at Tea Estate, schemes of self-employment, tree plantation (trees for life), Assam Valley Sports, ecology	<ul style="list-style-type: none"> • Magor Education Trust 	Literature and arts, education, community health and welfare programmes, self-employment, environment, higher education,

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts/Foundations	Fields Supported
Murugappa Chettiar Group	<ul style="list-style-type: none"> • AMM Education Society • Vellayan Chettiar Higher Secondary School • Sri Ramaswamy Mudaliar Higher Secondary School • TI Matriculation School • AMM Matriculation School • Arunachalam Higher Secondary School • Murugappa Polytechnic, Avadi • AMM Medical Society • AMM Hospital • Valliammai Achi Hospital • Sir Ivan Steadforth Hospital, Ambattur • AMM Murugappa Chettiar Research Centre • Temples 	Wildlife Society, irrigation and flood control	<ul style="list-style-type: none"> • AMM Foundation • AMM Charities Trust 	Education, medicine and health, scientific research, self-employment schemes, community welfare measures
TCI Bhorukia Group of Companies	<ul style="list-style-type: none"> • Bhoruramji Ram Das Public School • Indian Institute of Health Management Research, Jaipur 	In Rajasthan villages	<ul style="list-style-type: none"> • Bhoruka Charitable Trust • PD Agarwal Foundation 	Integrated community development programme, health education, health education
Deepak Group of Companies		Health care, promotion of smokeless chulla, community bio gas, education and family planning	<ul style="list-style-type: none"> • Deepak Medical Foundation • Deepak Charitable Trust 	Integrated community development, health and education
Chandaria Group			<ul style="list-style-type: none"> • Anarde Foundation 	Integrated rural development

Company/ Groups	Major Institutions Established	Company's Community Programme	Trusts / Foundations	Fields Supported
Shri Ram (DCM Group)	<ul style="list-style-type: none"> • Shri Ram College of Commerce • Lady Shri Ram College for Women • Shri Ram Bharatiya Kala Kendra • Shri Ram Centre for Performing Arts • Shri Ram Institute of Industrial Research 	<ul style="list-style-type: none"> • SIEL's Community Programme 	<ul style="list-style-type: none"> • Shri Ram Education Trust 	Education, technical and scientific research, art and culture

(Source : Pushpa Sundar, *Beyond Business*, TMH, New Delhi pp. 368-377)

QUESTIONS

1. Define social responsibility.
2. Why is social responsibility important for business?
3. What are your arguments against social responsibility?
4. What are the practical problems that confront social action programmes? How do you overcome them?
5. Trace the historical evolution of social responsibility.

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34

Business and Society

CHAPTER OUTLINE

Ecology and Business

- *Natural Pollution*
- *Population Explosion*
- *Standard of Living*
- *Deforestation*
- *Vehicular Traffic*
- *Heavy Irrigation*
- *Agriculture*
- *Industry the Scapegoat*
- *Ecology and Economic Development*
- *Sustainable Development*

Women and Business Opportunities

- *Women in Business*
- *Problem of Female Employment*

Child Labour

- *Why are Children Employed?*
- *Universal Phenomenon*
- *Remedies*

Consumerism

- *Cost of Consumer Protection*

Rural Development

Projects and People

Physically Handicapped

Fighting AIDS

LEARNING OBJECTIVES

After reading this Chapter, you should be able to:

1. *Understand how ecology is disrupted by different polluting agents*
2. *Understand that industry is only one of the agents causing pollution, and what the industry is doing to prevent pollution*
3. *Understand that ecology and development go together*
4. *Appreciate the obligations of business towards women*
5. *Understand that child labour is exploited everywhere and suggest ways of preventing abuse of child labour*
6. *Understand business obligations towards consumers, rural poor, disabled citizens and AIDS victims*

The first aspect of social responsibility of business, namely, its immediate accountability to consumers, employees, owners and government was discussed in the previous chapter. In this chapter, it is proposed to discuss the second part of social responsibility, namely, business's responsibility to society.

Business's responsibility towards society goes beyond the interest of its stakeholders.

Responsibility of business towards society includes such broad areas as concern for ecology, consumerism, improving the lot of women, rural development, new projects, physically handicapped people and fighting AIDS.

(See Fig. 34.1) Business may or may not have direct or day-to-day interaction with these interest groups. But business has obligations towards women, child labour, ecology and village development which are a part of society. The well-being of society is the well-being of business.

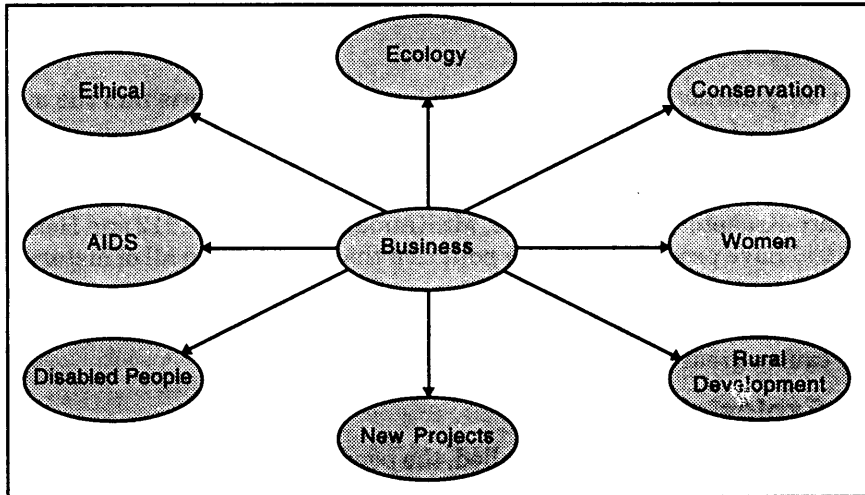


Figure 34.1
Business and Society

ECOLOGY AND BUSINESS

Ecology is concerned with the relationships of living things and their environment. It provides a framework by which we can see that all living things are related to other living things, and they are likewise related to their physical environment.

The eminent humanist-biologist, Paul Ehrlich, in this book, *The Population Bomb* listed seven inalienable rights of mankind:

- The right to eat well,
- The right to drink pure water,
- The right to decent, uncrowded shelter,
- The right to enjoy natural beauty,
- The right to avoid pesticide poisoning,
- The right to freedom from thermo nuclear war and
- The right to limit families.

The rights propounded by the eminent thinker have proved to be mere fantasies as day-by-day, the rights themselves are being alienated from the technology savvy

human; thanks to the ever increasing environmental pollution which is disrupting the ecology.

Pollution of air, water and soil is caused by several agents. The main among them are:

- Natural pollution,
- Population explosion,
- High standard of living of people,
- Deforestation,
- Vehicular traffic,
- Agriculture,
- Dams and canals
- Industrial establishments.

Natural Pollution

Nature causes air pollution enormously. Duststorms, dirt and debris into the air, natural forest fires cast a pall of smoke over mountain valleys, and lightening creates certain chemical compounds. The pollution from volcanoes is phenomenal. The Director of the United States Geological Survey, states that only three eruptions in the last 150 years-Krakotoa in Java in 1883, Mt.Katmai in Alaska in 1912 and Hekla in Iceland in 1947 have produced more air pollution than mankind in all of history.²

Perhaps the most uncomfortable and irritating of all natural pollutants, as many victims of allergies can testify, is the pollen released everyday by trillions of plants. This pollution causes great human suffering.

Population Explosion

Population explosion, characteristically called, the population bomb, is probably the biggest source of pollution. It is estimated that world population is doubling every thirty-five years. If existing rates continue, population of over three billion will be over six billion by the year 2000.³

Population is the biggest pollutant.

What makes population explosion serious is that every additional person adds pollutants to land, air and water. It is rightly said that man is a dirty animal. He is poisoning his world. He has managed to make rivers rotten, converted green pastures into deserts, and has choked the air with chemicals and dust. He is a menace to himself and other species.⁴

Standard of Living

Industrialisation has raised the standard of living enormously. Increased standard of living acts as a source of pollution. As people consume more, their consumption tends to create more wastes. The more elegant their tastes for food become, the more garbage and other refuse they produce. The more they buy, the more paper and packaging are required, most of which become refuse.

Contrary to the popular perception, pollution is not caused by poor people alone. Poor and rich alike cause damage to the environment for different reasons, one for sheer survival and another for leading grand lifestyles.

Take the case of the rich. Rich constitutes just 25 per cent of the world's population but enjoy fruits of extremely uneven economic development. The rich consume disproportionately higher share of resources to maintain their lifestyle. For example, this 25 per cent uses 80% of commercial energy while the remaining 75 per cent in 128 countries use only 20 per cent energy. The per capita consumption of plywood, particle wood and veneer is 213 kgs as against 19 kgs for the poor. Per capita consumption of cereals among the rich is 716 kgs but in poor Africa it is just 130 kgs. The average annual per capita milk consumption of the rich is 320 kgs, as against 39 kgs for the poor. Similarly, the per capita consumption of paper and paper products is 148 kgs (11 kgs for the poor), of fertilisers 70 kgs (15 kgs) and concrete and concrete housing 451 kgs (130 kgs). While 80% of iron and steel is used by the rich, only 20 per cent is used by the poor. Nearly 85 per cent of metals, minerals, and chemicals, 70 per cent of fossil fuels, 90 per cent of automobiles, and 85 per cent chemical products are used by the rich.

Higher the consumption, greater the scope for causing pollution.

Poor also causes pollution, but for its sheer survival. They resort to woodcutting, wood being used both as firewood and as marketable product. Illiteracy and ignorance make them lead unhygienic and unhealthy life. Spitting and defecating in the open are common sites. The late Prime Minister Indira Gandhi had said that the poor are the greatest polluters.

Deforestation

Forests are an essential part of the environment. They check soil erosion, counter floods and landslides, shelter vast variety of flora and fauna and cause rainfalls. The Chipko slogan best sums up the importance of forests. The slogan reads thus:

Forests bear soil,
water and air which
are the essence of
life.

"What do the forests bear
Soil, water and pure air.
Soil, water and pure air
Are the bases of life."

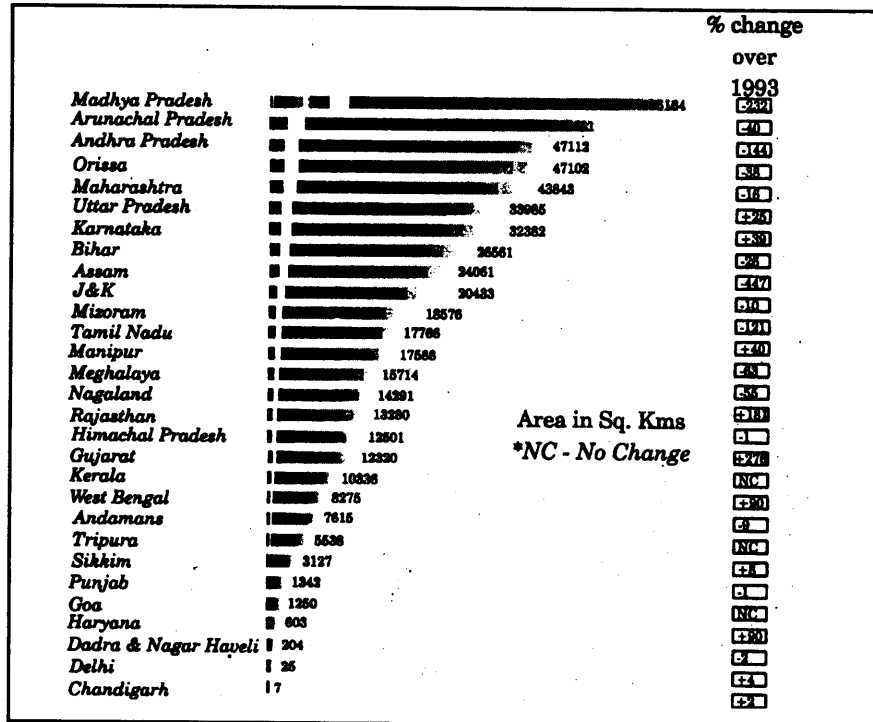
Man has systematically ravaged forests for his agricultural operations, cooking purposes and for lumbering. It is estimated that we are losing 1.3 million hectares of our forests every year due to deforestation. In spite of having 15 per cent of the world's population and despite the 1952 forest policy statement laying down that at least one third of the land area must be under forests, we have less than one per cent of the productive forest area left (See Fig. 34.2 for more data).

Besides destruction by man, danger to forests comes from acid rain which is common in the industrialised countries. In the Federal Republic of Germany (FRG), 34 per cent of the nation's forests were dead by 1981 due to acid precipitation.

In FRG, the problem is so serious that a new word, 'Waldsterben' (forest death) has entered the vocabulary and the agenda of virtually all political parties. In Poland, 1,80,000 hectares of forests are reported to be dead or dying as a result.⁵

Figure 31.2

India's Forest Cover (State-wise as per 1995 Assessment)



(Source: Ministry of Environment and Forests)

Vehicular Traffic

Damage to the environment caused by vehicular traffic is equally significant. Moving vehicles cause both air and noise pollution. Pollution of the air is the severest and there are agencies to monitor the magnitude of the problem.

Vehicular traffic destroys ecology considerably

As on today, there are more than 1.3 million registered vehicles plying on Delhi roads and about 1,20,000 are being added annually. These vehicles emit more than 800 tonnes of noxious gases into Delhi's atmosphere everyday. This constitutes more than 60 per cent of the air pollution of the city. During the peak traffic hours, emissions from vehicles amount to 1500 kg of carbon monoxide, 100 kg of hydrocarbon and 100 kg of nitrogen oxides. Two and three wheeler vehicles constitute about 63 per cent of the total vehicles and contribute 60 per cent of the total carbon monoxide and 83 per cent of the hydro carbon emissions. Heavy traffic, on the other hand, contributes to 55 per cent to 80 per cent of the nitrogen oxide emission. Thus, on an average, each vehicle emits approximately 2.5 kg of pollutants per day. Oxides of nitrogen and carbon monoxide are known as air pollutants, causing enormous damage to human health. Besides, the oxides of nitrogen react with rainwater to produce acid rain.⁶

Noise pollution caused by vehicles has reached such alarming proportions that sign boards with 'no horn please' are seen near hospitals and schools in all cities. In fact, life has become traumatic in most of the cities, thanks to incessant blowing of horns, continuous ear-splitting noise from vehicles.

Heavy Irrigation

Heavy irrigation schemes like canals and dams are pollutants. Waterlogging and increased salinity and alkalinity of soil are the manifestations of this type of pollution.

The great Aswan Dam on the Nile River is often quoted to substantiate the charge that heavy irrigation schemes cause considerable damage to the environment. The dam was to offer countless benefits to Egyptians who needed flood protection, a more stable water supply and irrigation for parched desert farm lands. Predictions indicated that the entire lower Nile valley would be a better life area because of the dam.

Now that the dam has been built, unforeseen negative effects on the ecosystem are being discovered. The established water flow prevents the build-up of silt dunes at the end of the delta as the Nile enters the sea. These dunes formerly kept the sea away from rich delta farm lands, but now sea erosion is overcoming these dunes and flooding one million acres of a farmland with salt water. An additional problem is the spread of water hyacinths which evaporate large amounts of water lake above the dam. Another danger predicted is that a disease-carrying snail may spread through 500 miles of new irrigation canals below the dam. Peasants using the canals may catch the painful and normally incurable disease it carries.⁷ Similar is the story with the Indira Gandhi Nahar Pariyojana (IGNP), the largest irrigation canal (See box 34.1 for more details).

How dams disrupt ecology.

It is not environmental degradation alone that is the major ill effect of a dam. There are other side effects too such as breaking up of cultures, loss of fish, uprooting of forests and others as beautifully revealed in a ballad for ecology authored by Kenneth E. Boulding (see Box 34.2 for the ballad).

The realisation that canals and dams have serious negative consequences has made governments and funding agencies to slow the pace of construction, particularly the construction of dams. The slow-down process started since 1975. This process is justified on economic grounds and other reasons.

As is well known, governments that want to build dams make their public case on the basis of four benefits: irrigation, water, flood protection and electric power. Until recently, the costs were the focus of much less attention. More attention has been paid to the costs of building dams since the publication, in 1984, of *The Social and Environmental Effects of Large Dams* by Edward Goldsmith and Nicholas Hildyard. They argued that irrigation schemes often created no more new land than they destroyed; that resettling people caused huge economic and cultural disruption; that dams frequently failed to control floods; and that the profits from building them tended to end up in the pockets of multinationals, urban elite and the politicians. An end in the World Bank's assistance to the Sardar Sarovar project on Narmada river reflects this trend.

Nevertheless, funding and construction continue, though not at the same speed and enthusiasm witnessed before 1975. Any opposition to a dam from any quarter is sought to be met with equally well marshalled facts and figures that speak about the steps taken and benefits to be derived for the dam (See box 34.3 for the benefits of the Sardar Sarovar project and the efforts initiated to conserve ecological balances). Opposition notwithstanding, construction of dams and canals continues posing substantial damage to the environment.

Box 34.1**Degraded environment and alienated communities**

When it was planned a few decades ago, the canal was primarily intended as a strategic defence barrier along the Indo-Pak border and the Planning Commission put its stamp of approval on the Rs.66.43 crore project in 1957.

Thirty-four years and Rs.800 crore in expenditure later, only one-third of the total command area of 1.5 million hectares has been covered, and Stage II is still on. On the plus side, the canal has greened portions of the desert, checked the movement of sand dunes, provided drinking water to parched villages and attracted thousands of people to settle. But on the way, the canal has also run into numerous problems which threaten its very viability.

The warnings had been clear from the very beginning. In 1971, a decade or so after construction started, the Food and Agricultural Organisation (FAO) released a 10 volume survey of the canal command area and came up with a grim prediction: irrigation will be disastrous for the terrain's varying micro-ecosystems unless the government gave massive financial support for setting up

expensive drip or sprinkler systems and drainage facilities. The warning was ignored. The consequence: a degraded environment and alienated communities.

In Stage I of the command area (0.5 million hectares), numerous villages have been submerged by waterlogging. And smaller patches all along the canal suffer from waterlogging, salinated soil and salinated groundwater supplies. According to a study financed by the government itself, the area affected by waterlogging/salinity accounts for about 34 per cent of the total irrigated area in Stage I. And according to a report of the Rajasthan Groundwater Department, over 50 per cent of the most fertile regions in both Stage I and Stage II will be waterlogged by the year 2000.

Some villages have had to be completely evacuated due to water logging and the rising groundwater level presages a similar fate for many others. The monitoring of the groundwater table in the command area between 1981 and 1989 revealed that it is rising at an average rate of one metre a year.

Agriculture

Agriculture is also a pollutant.

Agriculture also causes pollution. Dust from fallow fields, increased turbidity of run-off water, nitrate pollution of surface and ground water, pesticide pollution and water-logging are some of the forms of pollution arising out of agriculture.⁸

Fertilisers cause immense damage to the environment.

Greatest damage to the environment comes from the use of fertilisers. While increased use of fertilisers has helped improve crop yields, their use has resulted in:

- Improving the natural nitrogen-fixation process,
- Introducing toxic nitrates in water supplies and
- Contributing to air/land pollution besides having adverse effects on fish, wildlife and humans.

Box 34.2

Ballad for Ecology

The cost of building dams is always underestimated,
 There's erosion of the delta that the river has created,
 There's fertile soil below the dam that's likely to be looted,
 And the tangled mat of forest that has got to be uprooted.

There's the breaking up of cultures with old haunts' and habits, loss,
 There's the education programme that just doesn't come across,
 And the wasted fruits of progress that are seldom much enjoyed
 By expelled subsistence farmers who are urban unemployed.

There's disappointing yield of fish, beyond the first explosion;
 There's silting up, and drawing down, and watershed erosion.
 Above the dam the water's lost by sheer evaporation;
 Below, the river scours, and suffers dangerous alteration.

For engineers, however good, are likely to be guilty,
 Of quietly forgetting that a river can be silty,
 While the irrigation people too are frequently forgetting,
 That water poured upon the land is likely to be wetting.

Then the water in the lake, and what the lake releases,
 Is crawling with infected snails and water borne diseases.
 There's hideous locust breeding ground when water levels low,
 And a million ecologic facts we really do not know.

There are benefits, of course, which may be countable, but which
 Have a tendency to fall into the pockets of the rich,
 While the costs are apt to fall upon the shoulders of the poor.
 So cost-benefit analysis is nearly always sure
 To justify the building of a solid concrete fact,
 While the Ecologic Truth is left behind in the abstract.

Industry the Scapegoat

Unfortunately, the industry is held the scapegoat for disrupting ecology, though other agencies, as explained earlier, cause equal if not more damage to the environment.

Every magazine and every newspaper which carries an article on environment links an industrial establishment with pollution. (Read box 34.4 for stories of heavy pollution).

If you are resident of any of our major cities, you do not need any example to demonstrate the pollution caused by our industries. It should be your own experience too. You should have seen the thick smoke emanating from factory chimneys engulfing your surroundings (it is for this reason that the factories are often called smoke stacks). If your house is located near a factory, small particles from it shall be seen settling on

Box 34.3

Sardar Sarovar Project
Benefits-Major and Secondary

Major Benefits

- * Project will irrigate 1.8 million acres of land in Gujarat, 75,000 acres in Barmer and Jalore Districts of Rajasthan.
- * 75% of command area is drought prone.
- * Drinking water for 135 urban centres and 8215 villages, to serve 30 million people.
- * 40 trees planted for every tree submerged.
- * 1450 MW power generation.

Secondary Benefits

- * Increase in vegetal cover in 24 million hectares.
- * Prevention of loss of cattle during drought years.
- * Prevention of large-scale migration during drought years.
- * Arresting falling trend in groundwater tables, and contributing to its rise.
- * Gains due to compensatory forest and tree plantations.
- * Boost to agriculture related industries.
- * Control of hygiene related diseases.
- * Flood control.
- * Development of fisheries.

Resettlement Package

- (a) Each land based family gets two hectares of irrigable land.
- (b) Every major son, above 18, treated as a separate family.
- (c) Full compensation for existing houses; dismantled components transported free of cost.
- (d) Subsistence allowance of Rs. 15 per day, for 25 days in a month, for the first year of settlement.
- (e) Resettlement grant of Rs. 750 plus escalation at 8% from January 1980.
- (f) Insurance cover.

- (g) Free residential plot of 60 ft. x 90 ft. Assistance up to Rs. 10,000 for plinth.
- (h) Subsidy of Rs. 5,000 for purchase of productive assets.
- (i) Rs. 600 as cultivation assistance.
- (j) Vocational and technical training to PAPs and preference in appropriate categories of jobs in the project.
- (k) Civic amenities like roads, electricity, water supply, health care, school, seed store, etc.
- (l) Every PAP is consulted and given a choice of three alternative locations for resettlement.
- (m) 5000 families have already been provided agricultural facilities.

Environmental Impact Studies

To plan environmental alleviation measures, the government initiated an environmental impact assessment in the early stages, to gather basic data at the grassroots level relating to the prevailing conditions. A multi-disciplinary group of scientists of the M.S. University studies a whole range of parameters including climate, geology, erosion patterns, vegetation health and so on.

Other studies carried out related to the safety of dams, seismic conditions, foundation and rim stability and fisheries. Outcome of the studies facilitated planning environmental protection programmes. These related to:

- (a) Forest Conservation.
- (b) Development of Sanctuaries.
- (c) Fisheries Development.
- (d) Health Aspects.
- (e) Archaeological Aspects.

Box 34.4

Victims of Industrial Pollution

1. The inhabitants of the village Navalagulu in Karnataka were the victims of the poisonous rubbish that was pumped into the air, dumped on the roadside and callously discharged into rivers (by the Harihar Polyfibres). The common symptoms were skin eruptions, boils, pockmarks as in small pox, dry skin and skin irritation, cracked soles, burning sensation accompanied by cough, yellowing of the eyes as in jaundice and an unknown malady of the intestines. Dogs had deserted Navalagulu once the slow poisoning of the air they breathe, water they drink and the earth they tread was set in motion. Nevertheless, the Navalaguluans unlike their dogs stayed on to work on their daily chores with forlorn hope and stoic patience.⁹

2. Effluents from a caustic soda manufacturing firm containing traces of

deadly mercury are threatening to unleash Bhopal gas leak type tragedy on the local population along the state (Karnataka) West Coast. This has potential of creating a situation similar to the Minamata disease of Japan which claimed nearly 400 lives and affected many more persons with paralysis due to mercury poisoning.¹⁰

3. River Ganges has become a network of cesspools and drains thanks to constant discharge from industries located on the banks. The Hoogly estuary is choked by the discharge from over 300 industries and most of its fish have been killed.¹¹

4. Of course, there is the Bhopal gas tragedy which killed thousands and disfigured several thousands (the tragedy was unleashed by the Union Carbide Corporation in December 1984) which is still green in one's memory.

your window panes, garden plants, clothes, utensils and on the drinking water. You are sure to be disturbed every morning by loud sirens.

If you pass by a sugar mill or a chemical plant, you will experience a stinking smell. You have to hold your breath and close your nostrils tight, otherwise your stomach will start squelching.

Carbon-dioxide emissions (CO_2) caused by burning of fossil fuels and discharged by cement plants are posing serious threat to the well being of people. Table 34.1 shows CO_2 emissions discharged in 1996.

Ironically, we all have learnt to live with pollution. We are all adopting to intense crowding, to deficient or excessively abundant or deficient diets, to monotonous, ugly and depressing environments. All over the world, the most polluted, crowded and traumatic cities are also the ones that have the greatest appeal and where population is increasing most rapidly. Furthermore, conditions that appear undesirable biologically do not necessarily constitute a handicap for economic growth. Great wealth is being produced by men working under high nervous tension in atmospheres containing chemical fumes, or in crowded offices polluted with tobacco smoke and bidi butts.

Fortunately, things are changing. There is increased realisation that man needs, not factories alone, but free and clean environment. Towards this end, several steps are being taken to protect ecology. Before listing the steps, it is advisable to know why the industry pollutes environment in the first place.

Table 34.1 (Million tonnes, 1996)

How much they pollute

Country	Total	Per Capita
U.S.	5301	20.0
China	5364	2.8
Japan	1168	9.3
Russian Federation	1680	10.7
India	997	1.1
Germany	981	10.5
U.K.	557	9.5
Canada	409	13.7
S.Korea	408	9.0

(Source: *World Development Indicators*, 1999)

Why Cause Pollution?

If factories are held scapegoats for disrupting the ecology, there is some justification. Industrial establishments are more visible in the pollution than other agencies. It is easy to see black smoke oozing out of the chimney, scar on a green hill or dirty yard (see box 34.5) in a factory than other agencies. Hence, all fingers are raised at industrial establishments.

Box 34.5

A Dirty Business

Even as the Supreme Court has sought to clean up the mess created by effluents and emissions from Indian factories, there are alarming reports that the country has become a dumping ground for the waste generated by industries in the 'developed' world. And this disturbing trend has drawn the attention of Greenpeace, the international organisation campaigning for a cleaner environment.

Greenpeace has pointed out that plastic waste, lead-ash and metal scraps are being regularly shipped to India, Pakistan and Bangladesh from the United States, Canada, United Kingdom, Australia and Germany.

The Basel Convention, finalised on 5 March, 1994, has called for phasing out such

waste exports and totally banning them by the end of 1997. However, some developed countries have been trying to bypass it through bilateral agreements with the 'weaker' nations.

The soft drinks multinational, Pepsi, is one of the biggest players in the toxic trade. In 1993, Pepsi had dumped about 4,500 tonnes of plastic waste in Madras in 23 shipments. Greenpeace has also objected to Pepsi setting up a joint-venture plastic recycling facility in Madras as it would be hazardous to the environment and public health.

Close on the heels of the Greenpeace move came revelations that Calcutta, too, has become a landing station for foreign waste.

(Source: *Sunday*, 26 March-1 April, 1995)

Industrial units pollute the environment for two reasons. First is the economic benefit available to them. It is simple common sense that causing pollution is cheaper than preventing it. For the management of a chemical factory, for example, it costs nothing to let effluents into a lake or stream untreated than installing a treatment plant for treating the discharges.

The second reason is that the environment has mostly been an economic free good for a businessman to use it as he wished. This reasoning especially applies to air and water, two of society's main areas of pollution.

The steel maker could use oxygen from the air for his blast furnace without spending a paise on it and use the same air as a common dumping ground for his wastes. Similarly, he could draw water from the river and discharge his wastes into it without paying for this service.¹²

Ways of Preventing Industrial Pollution

What is the way out? Can the pollution be stopped? Can ecology be saved? Answers to all these questions are in the affirmative.

There are basically three ways of preventing pollution:

- Self-realisation on the part of management of business.
- Environmental movement and association of businessmen.
- Interference from the government. It is not any of these three alone efforts which should be made from all fronts if the environment were to be saved.

Self-Realisation: As part of the social responsibility of business, a businessman is expected to realise the need for maintaining a clean environment. Without being enforced, he should take all possible steps to prevent pollution. Examples are not lacking.

A 56 kms long effluent disposal channel is jointly setup in Baroda by the Indian Petrochemicals Corporation Ltd., Gujarat Refinery, Gujarat State Fertilizers Company, Nandesari Industrial Estate and small industrialists. The Rs.13 crore massive channel designed to carry 145 m litres of liquid waste and on the way, the effluents are treated before letting into the Arabian sea. Earlier, they were dropped into the Miani River polluting the water. The channel has been built voluntarily.

The Electroporcelains Division (EPD) of BHEL, Bangalore, essentially deals with clay and therefore, generates lot of dust. Calcination and the crushing of raw material generated dense smoke and heavy dust posing health hazards to the employees and people living around. Realising their social responsibility, management sub-contracted calcination and crushing to outsiders, which hiked the materials cost by 10 per cent.

In the same plant, water with lot of slurry was let into open space earlier. Now the discharged water is treated before letting it into sewers. Foundry of the EPD also generates lot of dust. To prevent the dust from settling on neighbouring residential houses, management undertook a massive tree plantation programme around the foundry. In one year, about 1200 eucalyptus saplings were planted.

Environmental Movement: Environmental movement is a voluntary association formed to protect the environment from pollution. The movement took its birth in our country in 1968 and the genesis was setting the river Ganga ablaze by the effluents

discharged into it by the Barauni Oil Refinery. Since then, the movement has grown in strength and as of today there are 54 voluntary organisations located in different parts of the country. The Chipko movement and Save Silent Valley are the two major successes of the voluntary bodies. The other projects opposed are the controversial Tehri dam in river Alkananda, the Koel Karo and Suvernerekha in Bihar, the Pollovaram in Andhra Pradesh, the upper Indravati project in Orissa and the Inchampalli and Bhopalpatnam dams on the borders of Maharashtra and Andhra Pradesh. The most important agitation against any developmental project seems to be the Sardar Sarovar Project across Narmada river.

With regard to industrial pollution, the associations make their presence felt whenever there is a disaster. The role played by Kalpavriksha, a Delhi-based organisation, is worth quoting in this context. Months before the acid leakage took place at the Sriram Food and Fertilizers Industries, Delhi (three people died and 700 injured as a result), Ashish Kothari of Kalpavriksha had demonstrated outside the plant against the potential danger to the densely populated area. Kothari noticed minor leakages leading to the major one.¹³ The management of the factory did not heed to the warning given by Kothari. Three people paid with their lives because of the negligence.

Violent agitation by villagers and environmental NGOs led to the shift of Thapar Dupont Nylon 6, 6 plant from Goa to Madras.

Government Interference: Instances of anti-pollution measures initiated voluntarily, or through pressure from environmentalists are few and far between. Government interference, therefore, becomes imperative.

Drawing inspiration from the Stockholm Conference of United Nations on Human Environment, which was held in 1972 and realising the need for its interference, the Government of India came out with a series of statutory provisions and fiscal incentives in order to protect the environment from industrial pollution.

Statutory Provisions: The Central Government enacted the Water (Prevention and Control of Pollution) Act, 1974. Under the Act, the Centre and States (majority) have constituted Centre and State Boards for the prevention and control of water pollution. Land pollution is also covered by the Act.

In 1977, the Water (Prevention and Control of Pollution) Cess Act was enacted with a view to enable the pollution control boards to levy cess on the consumption of water by specific industries and local bodies at the rates specified in the schedule to the Act. The amount thus collected will be used by the boards to discharge their functions effectively.

The Government of India enacted the Air (Prevention and Control of Pollution) Act, in 1981 in order to control air pollution. Latest in the series is the comprehensive legislation called the Environment(Protection) Act, 1986. The main objective of the Act is to protect and improve the environment and the prevention of hazards to human beings, other living creatures, plant and property.

Then there is the Department of Environment in Delhi, set up in 1980, where clearance is now made compulsory of any new industrial enterprise to be set up.

Environmental management reporting has now been made compulsory, specially in the case of public sector undertakings.

Fiscal and Financial Incentives: With a view to encourage industrial units to undertake pollution control measures and to foster a clean environment, the Government of India has offered several fiscal incentives. Accordingly, fiscal sops in the form of tax exemption, depreciation allowance at increased rates, reduction in water cess, etc. have been offered to industrial units which introduce pollution control devices.

The World Bank has earmarked in 1991, a line of credit amounting to \$156 million to be used exclusively for funding pollution control. The Bank has appointed ICICI and IDBI as the disbursing agencies for Indian industries. The credit facility is available at an interest rate of 15.5 per cent. There are not many takers of this facility, though exceptions are found here and there (read box 34.6 for one such exception).

The Bank cleared, under Phase II, another line of credit of \$330 million to be disbursed among Indian Industries.

Results Encouraging

Statutory provisions enforced and fiscal incentives offered by the Central and State governments have borne fruits. The Central and the State (Prevention and Control of Pollution) Boards have conducted a countrywide survey to identify water polluting large and medium scale industrial units, along with the availability of effluent treatment facilities. The study points out that as on 31st December 1984, out of the 4045 industrial units in the country, 1731 large and 2323 medium sized units which had been identified as relevant to water pollution, 2075 units (51 per cent) had taken approximate precautions to treat waste before discharge, 67 per cent units in the large scale sector and 39 per cent firms in the medium scale sector had adopted appropriate pollution control measures.

The State of Karnataka, Gujarat and Maharashtra led in the setting up of effluent treatment facilities with 95 per cent, 86 per cent and 80 per cent of the units in the respective states having such facilities. Andhra Pradesh, West Bengal, Tamil Nadu, Haryana and Uttar Pradesh lagged behind though several polluting units were located in these states. (See Table 34.2)

The industry-wise analysis made by the study reveals that considerable progress was made between 1981 and 1984 in installing waste water treatment facilities. Eight industries were identified as priority areas under pollution prevention implementation Phase-1 (Sixth Plan period). These were sugar, distillery, caustic soda, fertilisers, oil refining, man-made fibres, iron and steel and textiles. While the growth in the number of units in these industries during the period of survey had been 48 per cent, the number of units having waste water treatment facilities had gone up by 60 per cent. In all, 51.4 per cent of the units had effluent treatment facilities at the end of 1984, as against 47.4 per cent in April 1981.

The industries, other than the eight listed above, are to be covered for water pollution control in Phase-2 of the programme (Seventh Plan period). The progress in these other industries has been even better with 51 per cent of the units having effluent treatment facilities by the end of 1984, as against 36 per cent but the number of units with effluent treatment facilities went up by 37.9 per cent.¹⁴

Box 34.6

Affluence from Effluents

The Rashtriya Chemicals and Fertiliser's Chembar plant is one of Mumbai's most well-known cases of industrial pollution. The company, in the face of sustained public pressure, is making attempts to reduce environmental damage. When the World Bank instituted the Industrial Pollution Control Project (IPCP), RCF was one of the first to approach IDBI. In January 1993, RCF entered into an agreement with the financial institution for a DM 12.5 million (approximately, Rs. 45 crore) loan at 15.5 per cent.

RCF's problem was its two ammonia plants. These plants have been the sore spot for the company and have been shut down on more than one occasion. At the time the plants were set up, it was not mandatory to include cost of pollution control equipment in the project cost. But as local residents started complaining about the pollution levels, RCF started looking for alternatives.

There were modifications going on in both plants. RCF had to wait till these were complete to be able to estimate the volume of pollutants that would require treatment. Finally, a Ministry of Environment notification in the late 1980s ordering them to clean up forced RCF into action.

In the process of manufacturing ammonia, certain gases are accumulated which need to be removed by purging. Using cryogenic technology bought from a German firm, RCF decided to set up a purge gas recovery plant, which would, in the process

of treating pollutants, help them to recover among other gases, argon and methane-rich fuel, both of which can be sold commercially, thereby making pollution control not just pay for itself but also generate additional resources. And at the end of the process, the plant produces no effluents.

RCF's choice of technology is determined by financial considerations. They had three options. In the first case, they could simply treat ammonia, which is all they are required to do under the regulations. Their internal rate of return (IRR) for just ammonia recovery was an uneconomical 10.7 per cent. Their second option was to choose ammonia and synthetic gas recovery, for which the IRR was 27 per cent. The final option, the one they chose, includes the recovery of liquid argon and gives them an IRR of 46.3 per cent. Payback period is a brisk 26 months.

The purge gas recovery plant is expected to generate Rs.28.32 crore annually, while outgoings on interest amount to Rs.1.67 crore and repayment of capital, Rs.4.62 crore per year.

Whether RCF will actually earn its projected income is doubtful. Since the time the plant has come up, argon prices have crashed due to excess capacity and intense competitors are mainly the steel and automobile industry, which use argon for welding. RCF officials, however, say they are safe, because even recovery to the synthetic gas stage gives them an IRR of 27 per cent, leaving RCF a comfortable profit margin.

As government pressure has intensified, several companies all over the country are slowly starting to beef up their environment portfolios by increasing budgets, hiring or upgrading specialised staff and acquiring state-of-the-art technology.

Tata Iron and Steel Company Ltd. (TISCO), for instance, spent Rs.27 crore on upgrading its pollution control plants between 1988 and 1991. For the next three years, it has more than doubled its budget for the purpose. The company also has a staff of 24 people in its environment department, including specialised environmental engineers and scientists, headed by a director.

TISCO has record for environment protection.

	Units surveyed	Units without pollution control devices
Uttar Pradesh	224	100
Andhra Pradesh	173	66
Maharashtra	335	42
Gujarat	177	10
Bihar	60	24
Tamil Nadu	110	1
West Bengal	58	45
Karnataka	85	38
Delhi	5	3
Chandigarh		0
Pondicherry	6	3

Table 34.2

Status of
Pollution
Control

(Source: Survey by the Central Pollution Control Board).

Whether due to government fiat or self motivation, corporate India seems to slowly waking up to the need for better environmental management. A recent survey of 400 plants conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) is, perhaps, indicative of the current trend. According to the survey, 96.7 per cent of the units had already initiated some steps for pollution prevention and 86.1 per cent of the units have taken measures for treating effluent wastes.

Ecology is Inconsistent with Economic Development?

It is said that ecology is a word which is more appropriate to affluent countries. For a developing country like ours, ecology is least in priority. Our first priorities are elimination of malnutrition, disease, poverty, unemployment and illiteracy. These traditional ills can be removed through rapid economic development which is possible through massive industrialisation. In other words, we want more industries and not ecology.

What is unfortunately not understood is that ecology and development are not inconsistent. They can go together. Environmental quality, human health and social well being need not be sacrificed or unduly injured, let alone irreversibly altered as a result of the developmental activities.¹⁵

It is, in fact, proved that economic growth promotes a clean environment. How does it happen? Growth raises expectations and creates demands for environmental improvement. As income levels and standards of living rise and people satisfy their basic needs for food, shelter and clothing, they can afford to pay attention to the quality of their lives and the condition of their habitat. Once the present seems relatively secure, people can focus on the future.

Ecology and
economic develop-
ment go together.

Within the developed countries, demand for better environmental protection (for example, tighter controls on land development and the creation of new parks) tend to come from property owners, often affluent ones. Homeowners want to guarantee the quality of their surroundings. On the other hand, environmental issues have never ranked high on the agenda of the economically disadvantaged. Even though the urban poor typically experience environmental degradation most directly, the debate proceeds for the most part without their active participation.

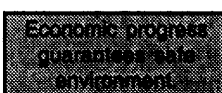
The correlation between rising income and environmental concern holds as true among nations as it does among social groups. The industrialised countries with strong economies and high average standards of living tend to spend more time and resources on environmental issues and thus to be better off environmentally. Between 1973 and 1984, when Japan emerged as a global economic power, it also took significant steps to clean up its historic legacy of pollution. In contrast, the developing nations, mired in poverty and struggling to stay one step ahead of mass starvation, have had little time and even less money to devote to environmental protection. Some of the world's worst and most intractable pollution problems are found in the developing world or in Eastern Europe-contaminated rivers, polluted cities, shrinking rain forests and encroaching deserts.

Economic growth can mitigate these resources and environmental pressures in the developing nations in two closely related ways: by reducing poverty and by helping to stabilise population growth. Many global environmental problems result less from the activities of those supposed villains, the profit-hungry multinational corporations than from the incremental, cumulative destruction of nature from the actions of many individuals—often the poor trying desperately to eke out a living. These actions range from the rural poor clearing land for tillage, for cattle or for subsistence farming; to gold miners, electroplaters and small factories releasing toxic substances into the air and water; to farmers ruining fields and groundwater with the excessive application of pesticides.

In the developing nations especially, the population explosion of the past few decades (developing countries have more than doubled in population just since 1960) has greatly intensified accumulating pressures on the environment. Even though the rate of increase is starting to fall in most of the Third World, population growth in some countries has contributed and will continue to contribute to global degradation, to the loss of natural resources, to poverty and hunger. Continued rapid population growth will cancel all our environmental gains and offset environmental investments.

One widely acceptable strategy that can make an important contribution to lowering fertility rates is education. The World Bank has drawn attention to the close correlation between education of children—specifically bringing basic literacy to young girls and reduction in the birth rate. Economic growth also offers hope for some relief. As countries grow economically, their fertility rates tend to decline; in most developed nations, the birthrate has dropped below replacement levels, although it is creeping back in some countries. Stable populations coupled with economic growth mean rising per capita standards of living. Education and economic development are the surest paths to stabilising population growth.

The benefits of economic growth just described—higher expectation for environmental quality in the industrialised countries, and reduced resources use and environmental pressures in the developing nations—show up on the demand side of the prosperity/progress equation. But economic expansion contributes on the supply side as well by generating the financial resources that make environmental improvements possible.



In the United States, for example, economic prosperity has contributed to substantial progress in environmental quality. The gains the country has made in reducing air and water pollution since 1970 are indisputable.

Air emissions of particulates went down by 63 per cent between 1970 and 1988; the Environmental Protection Agency (EPA) estimates that without controls, particulate

emissions would be 70 per cent higher than current levels. Sulfur dioxide emissions are down 27 per cent; without controls, they would be 42 per cent higher than they are now. And without controls on lead, particularly the phase-in of unleaded gasoline, lead emission to the air would be fully 97 per cent higher than they are today. Instead, atmospheric lead is down 96 per cent from the 1970 levels.

Similar, although more localised, gains can be cited with respect to water pollution. Twenty years ago, pollution in Lake Erie decimated commercial fishing; now, thanks to municipal sewage treatment programmes, Lake Erie is the largest commercial fishery in the Great Lakes. The Potomac River in Washington was so polluted that people who came into contact with it were advised to get an inoculation for tetanus. Now on a warm day, the Potomac belongs to the windsurfer.

It cost the American taxpayers, consumers and businessmen a great deal of money to realise these gains. The direct cost of compliance with federal environmental regulations is now estimated at more than \$90,000 million a year-about 1.7 per cent of gross national product (GNP), the highest level among Western industrial nations for which data are available. The United States achieved this progress during a period when GNP increased by more than 70 per cent.

We can learn two important lessons from the US experience of the past two decades. First, environmental commitments were compatible with economic advancement; the United States is now growing in a qualitatively better, healthier way, because those commitments were made. And secondly, it was not just good luck that substantial environmental progress occurred during a period of economic prosperity. The healthy economy paid for environmental gains; economic expansion creates the capital to finance superior environmental performance.

The contrast between the US experience and that of the former Soviet Union and Eastern Europe over the past two decades is both stark and illuminating. While the United States prospered and made a start on cleaning up, Poland, Hungary, Rumania, former East Germany, Czechoslovakia and the former Soviet Union were undergoing an environmental catastrophe that will take many years and thousands of millions of dollars to correct. In Eastern Europe, cities are blackened totally by thick dust. Chemicals make up a substantial percentage of river flows. Nearly two-thirds of the length of the Vistula, Poland's longest river, is unfit even for industrial use. The Oder River, which forms most of Poland's border with Eastern Germany, is useless over 80 per cent of its length. Parts of Poland, Eastern Germany, and Romania are literally uninhabitable; zones of ecological disaster cover more than a quarter of Poland's land area. Millions of people in the former Soviet Union live in cities with dangerously polluted air.

The former Soviet Union and most of the rest of Eastern Europe are plagued by premature deaths, high infant mortality rates, chronic lung disorders and other disabling illnesses. The economic drain from these environmental burdens, in terms of disability benefits, health care and lost productivity, is enormous-15 per cent or more of GNP, according to one Eastern European government minister.

The lifting of the Iron Curtain has revealed to the world that authoritarian, centrally planned societies pose much greater threats to the environment than capitalist democracies. Many environmental principles were undefendable in the absence of private property. Both

Authoritarian and centrally planned societies pose a threat to the environment.

the factory and the nearby farmland contaminated by its pollution were the property of the state. And the state, without elections, was not subject to popular restraints or reforms. Equally important, decisions to forego environmental controls altogether, in order to foster all-out, no-holds barred economic development, now can be seen to have done nothing for the economy. The same policies that ravaged the environment also wrecked the economy. There is good reason that no economic benefits have been identified from all the pollution control costs these nations avoided. Healthy natural systems are a *sine qua non* for all human activity, including economic activity.

What has happened in the United States and Eastern Europe is convincing evidence that in the modern industrial world, prosperity is essential for environmental progress.¹⁶

Sustainable Development

Concern for environment has grown in its approach. Earlier, the approach was a mere control of pollutants and the punishment of guilty industries. Now the emphasis is on sustainable development. Sustainable development refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development goes much beyond environmental protection, it is based on a recognition that economic growth must be viewed as a process that provides fairness and opportunity for all the world's people, not just the privileged few, without further destroying the world's finite natural resources and without compromising the world's carrying capacity.

The Earth Summit held at Rio De Janeiro on June 15, 1992, addressed itself to the problem of sustainable development (see Box 34.7 for Rio declaration).

WOMEN AND BUSINESS OPPORTUNITIES

Historically, women have been discriminated against in the male dominated society. Most girls were married when they were in their teens; widow remarriages were considered to be a social taboo; education beyond the primary or at the most school level was rare; girls, especially in rural and small towns, were deliberately undernourished and denied access to the outside world; and women were considered to be fit to cook food but not to work in business establishments. Even the Constitution has not been free from bias against the fair sex. Throughout the Constitution, women are referred to only six times, and in five of them, they are clubbed together with men and children. Equality of gender has not been explicitly expounded as a specific constitutional value, though Articles 14 and 15 guarantee the quality of status, opportunity and social, political and economic justice.

The report of the National Committee on the Status of Women has made startling revelations. Major findings in the report are: a decline in the sex ratio due to excessive mortality among women and female children; disparity in access to healthcare and widening gap between women and men in literacy, education and training for employment (see Table 34.3 for more details). Daily newspapers publish reports about rape, bride burnings, dowry deaths and wives beaten to death. Women are afraid of going out alone after dark and cannot go for shopping without male escorts (Also read box 34.8).

Some statistics are worth recollecting in support of this assertion. Out of the 1.3 billion poor people in the world, 70 percent are women, the majority of whom are illiterate with no access to basic amenities like safe drinking water. Two-thirds of the

130 million children worldwide who are not in school are girls. Between 75 and 80 per cent of the world's 27 million refugees are women and children. The majority of women earn on average about three-fourths of the pay of males for the same work. Worldwide 20 to 50 percent of women experience some degree of domestic violence during marriage. The primary victims today's armed conflicts are civilian women and children who are sexually abused by soldiers.

As we go into the future, discrimination against women will go and they will occupy equal status along with their male counterparts. Seeds for better tomorrow have already been sown. Today's girls are better educated, more assertive and more bold. Added to this is the women's liberation movement, to protect and improve the lot of women. Business and other professional activities are multiplying, demanding the services of talented people, including women. The government is also keen on uplifting the status of women.

Women in Business

Participation of women in business as owners, managers and employees is less encouraging, considering the size of the population and the vast opportunities available. While women account for 48 per cent of the population, the 1991 Census put the female workforce at 20.85 per cent. Those that take up jobs are content with lower paid jobs. Women occupying top positions are few and far between. Reasons are not difficult to seek. The main reasons are:

- Women are known to have lower attachment to work and are therefore content with lower positions;
- They do not consider themselves as primary earners and withdraw from the labour force once family income reaches adequacy;
- They lack education and training commensurate with men as marriages and home-making take precedence; and
- They are less preferred to men in recruitment and selection because of legal and other problems mentioned below

Problems of Female Employment

Though there is no legislation which binds employers to hire women in preference to men, a substantial percentage of the fair sex is generally employed, partly because for certain jobs they are appropriate, and partly because suitable male candidates are not available. On being employed, women pose additional problems to the employers. Provisions of the Factories Act and the Maternity Benefit Act should be complied with. Then there is the defiant attitude of a male worker to work under a woman manager or an unwanted chivalrous attitude if the former is a boss. Further, women should be paid equal wages as their male counterparts, though the former are less prepared to take up duties involving more physical strain. Payment of equal pay has been made mandatory.

There is also the cost of employing women. It is said that the cost of employing women is greater than the cost of employing men. Career interruptions, plateauing and turnover are more common with women employees and all these traits are expensive. The money companies invest in recruitment, training and development is less likely to produce top executives among women than among men, and the invaluable

Box 34.7**The Rio Declaration**

The following is the Rio declaration of principles on general rights and obligations on environment protection initiated by heads of governments at the United Nations Conference on Environment and Development.

Recognising the integral and interdependent nature of the earth, our home, we proclaim that:

Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.

States have, in accordance with the charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environment policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or areas beyond the limits of national jurisdiction.

The right to development must be fulfilled so as to meet developmental and environmental needs of present and future generations.

In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.

All states and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development.

The special situation and needs of the developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interest and needs of all countries.

States shall co-operate in a spirit of global partnership to conserve, protect and restore the health and integrity of the earth's ecosystems. In view of the different contributions to global environment degradation, states have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.

To achieve sustainable development and a higher quality of life for all people, states should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies.

States should co-operate to strengthen indigenous capacity building for sustainable development by improving scientific understanding through exchanges of scientific and technological knowledge, and by enhancing the development, adaptation, diffusion and transfer of technologies, including new and innovative technologies.

Environmental issues are best handled with the participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities and the opportunity to participate in decision-making process. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided.

States shall enact effective environmental legislation. Environmental standards,

management objectives and priorities should reflect the environmental and developmental context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular, developing countries.

States should co-operate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to redress in a better way the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.

States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage. States shall also co-operate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction.

States should effectively co-operate to discourage or prevent the relocation and transfer to other states of any activities and substances that cause severe environmental degradation or are found to be harmful to human health.

In order to protect the environment, the precautionary approach shall be widely applied by states according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures

to prevent environmental degradation.

National authorities should endeavour to promote the internalisation of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution, with due regards to public interest and without distorting international trade and investments.

Environmental impact assessment, as a national instrument, shall be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority.

States shall immediately notify other states of any natural disasters or other emergencies that are likely to produce sudden harmful effects on the environment of those states. Every effort shall be made by the international community to help states so afflicted.

States shall provide prior and timely notification and relevant information to potential affected states on activities that may have a significant adverse trans-boundary environmental effect and shall consult with those states at an early stage and in good faith.

Women have a vital role in environmental management and development. Their full participation is therefore essential to achieve sustainable development.

The creativity, ideals and courage of the youth of the world should be mobilised to forge a global partnership in order to achieve sustainable development and ensure a better future for all.

Indigenous people and their communities, and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development.

The environment and natural resources of people under oppression, domination and occupation shall be protected.

Warfare is inherently destructive of sustainable development. States shall therefore respect international law providing protection for the environment in times of armed conflict and cooperate in its further development as necessary.

Peace, development and environmental protection are interdependent and indivisible.

States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the charter of the United Nations.

State and people shall co-operate in good faith and in a spirit of partnership in the fulfilment of the principles embodied in this declaration and in further development of international law in the field of sustainable development.

Table 31.3		
Gender Disparities (From 1991 Census Survey)	Sex ratio	913
	Life expectancy at birth	61.8
	Population aged 60+ Yrs	10.2
	Population aged 0-14 Yrs	16.8
	Infant mortality rate (1993)	100
	Literacy (2001)	65.0
	School enrolment (1993-94)	
	Primary	85.0
	Middle	75.0
	Drop-out rate (1993-94)	
	Primary	35.0
	Women in polytechnic s and ITIs	35.0
	Work participation rate	60.0
	Organised sector	35.0
All India services	91.3%	
Parliament	32%	

Note: Data excerpted from Censuses 1991, unless otherwise stated.

company experience that developing executives acquire at every level as they move up through management ranks is more often lost.

Problems notwithstanding, owners of business establishments must encourage and prefer women while hiring people for different positions. Businessmen must generously contribute to the education and nourishment of women. Whatever is done by businessmen is little considering the primary place occupied by women as mothers, wives, sisters and nurses to all of us.

This has been realised and more and more women are taking up jobs as Table 34.4 shows.

Box 34.8

What Women's Day? She was denied even a dignified death

Patna : She was a nubile young enthusiast of 17 years when she participated in the International Women's Day celebrations seeking empowerment of eves on March 8 this year.

Ironically, only two days later in the wee hours of March 11, she found herself writhing in pain helplessly as dogs savoured her intestine hanging out of her body after she was gangraped and stabbed repeatedly by four felonies.

In fact, Poonam Kayam, daughter of a late Daroga, is now history, having breathed her last on March 13, while undergoing treatment in a Ranchi hospital.

Five days on, incidentally, the Ranchi police are yet to make any headway, that the gory incident figured in the Legislative Assembly proceedings on Wednesday notwithstanding.

"I wish they had killed me instead," wails Poonam's mother, Sukumati who is a constable with Bihar police and is posted in Jamshedpur.

She got the job on compassionate grounds after her husband's death and decided to leave her four offsprings back at their Saraitaand house in Ranchi so as not to disrupt their studies.

Poonam, an Intermediate Science student, was the eldest sibling and, as such, she looked after her younger sister and two brothers like a male member of the family.

That she was actually not a male, proved Poonam's nemesis, though. On March 11, when four criminals barged into her house and lay their hands on a box and Rs 1,400 in cash, young Poonam could not escape their villainous eyes.

Along with the box and cash, Poonam too became a part of their booty.

Only furlongs away on the banks of a river, the foursome ravaged the crying Poonam repeatedly and before leaving, inflicted several stabs on her nude body.

Sobbing Poonam was brought back to home only when people, including a relative of hers, went to the banks to attend Nature's call.

Part of her intestine was eaten by dogs, they recall while narrating the hair-raising sight of the blood-soaked Poonam lying almost lifelessly.

Who were the beasts? Poonam's mother suspects the hand of her brother-in-law (husband's brother), Santosh Kayam, who she alleges, wanted to usurp the land bought long back by her husband.

At that time, theirs was a joint family and her husband, she claims, had made a small house and informally given it to Santosh.

Now Santosh wanted to capture the whole land, she adds, tearfully.

(Source: Times of India, 17th March, 2000)

CHILD LABOUR

The historic judgement delivered by a Division Bench of the Supreme Court on December 10, 1996 brought issue relating to the child labour to the centre stage. For a country, which has the shameful record of tolerating the exploitation of not less than 35 million children as workers in a wide range of industries and in the services sector, the judgement of the Supreme Court will go down as a triumph of human sensitivities over a mindset which is stuck to the myth that child labour is inevitable.

The Supreme Court has directed that in nine industries, already identified as 'hazardous' including the match industry in Sivakasi, the glass industry in Ferozabad

Company	Employees	Percentage of Women
WIPRO	43,880	24
TCS	43,681	21
INFOSYS	31,000	22
HCL Technologies	20,249	22
Satyam	20,100	20
Cognizant	13,000	28
Accenture	11,000	25
Patni	6,980	19
iFlex	6,632	20

(Source: Business Today, April 10, 2005, p.36)

and the carpet industry in Mirzapur, child workers are to be replaced by adult labour, while employers who have been engaging child labour in contravention of the Child Labour (Prohibition) and Regulation Act, 1986, would pay a compensation of Rs.20,000 for each such child, which would enable them setting up of a Child Labour Rehabilitation-cum-Welfare Fund. The fund will be augmented by a contribution of Rs.5,000 by the State Government concerned, for each child, incase the State is unable to provide a job to an adult member of the family in question. The income accruing from the corpus would be used to ensure the child's education in a suitable institution with a view to making the child in due course a better citizen.

The Apex Court has prohibited the employment of children below 14 years of age in hazardous occupations connected with the transport of passengers, goods or mail by railways, cinder-picking, clearing of an ash pit or building operations in railway premises, catering establishments in railway stations, work relating to selling of fireworks or crackers and abattoirs and slaughter houses.

The judgement also bars the employment of children in beedi-making, carpet weaving, cement manufacture, cloth printing, dyeing and weaving, manufacture of fireworks, matches and explosives, mica-cutting and splitting, binding and construction industry, soldering, processes in electronic industry, tanning, soap manufacture, wool cleaning, slate pencils, building and the construction industry.

Why are children employed?

There are several economic and social reasons why children are put on jobs. The most obvious reason is the poverty of parents which compels them to send their children to jobs than to schools. Even where schooling is free, children are still sent to work as without their income, parents and other members in the family become even poorer.

Child labour exists because there are people willing to use children for a profit. A child is paid much less, is obedient, does not join unions and a child can be moulded to perform repetitive jobs. All these are advantageous to the employer.

Economic and social causes mainly lead to child labour.

There was a strong belief among certain societies that the members were forbidden from pursuing education- it was a sin and if any member disobeyed and went to school, he would be punished by the divine powers.

This belief prevented parents from putting their children to school. Fortunately, this superstitious belief has faded out now.

Universal Phenomenon

Child labour is not peculiar to our country alone. All developing countries use child labour and so is the case with the developed countries. Infact, some of the most exploitative forms of labour like child prostitution exists in US, Germany and France. (Read also Box 34.9)

However, our country holds the dubious distinction of having the largest percentage of child labour. That the country has 35 million children working on petty jobs has already been told. Some more data are worth quoting. In the decade from 1983-94, 33 per cent of its children were born in the presence of trained health workers, the average for all developing nations is 63 per cent. Whereas seven out of every 100 infants die after birth on an average in these nations, a little more than eight such deaths occur here; by the age of five, 9.7 out of every 100 die on an average, but if they are Indians, 12 will perish. Even if they live, illiteracy, disease and malnutrition kill around half of the nation's children.

Read also box 34.10 for a story of Peter Smart which dates back to 1832. One comes across today several Peter Smarts everywhere in our country.

The Remedies

It is good to know that there are four main approaches to child labour policy. The first stresses the need for eliminating poverty as that is the main cause for child labour. This approach does not address the child labour directly. The second approach emphasises strategies to get more children to school, particularly incentives to induce parents to send their children to school, such as free text books, uniform and midday meal scheme implemented in Karnataka. The third approach considers child labour inevitable, atleast in the short run, and stresses palliative measures such as regulating it to prevent abuse and to provide support services for working children. This approach is most commonly associated with UNICEF which has prepared a check list of regulatory and social approaches that could meet the "best interest of the child". Workplace schooling, stricter law enforcement against illegal child labour trafficking and providing support services for parents and for children working on the streets are some of the regulations contained in the UNICEF's agenda. The fourth approach advocated by the ILO, favours banning child labour altogether. If this is not possible, atleast child labour in its most abusive form should be banned. The most abusive practices include slavery, sale of trafficking of children, debt bondage and serfdom. This modified approach has received much attention and in 1999 the ILOs "Worst Forms of Child Labour Convention" was adopted".^(16a)

How to end the exploitation of child labour? Compulsory schooling is one answer to the problem. As Table 34.5 shows, a large number of children are outside schools. Mandating schooling for all children must be the top priority for all countries in the 21st century.

Stringent enforcement of labour laws is a must if the children were to be ensured of education, good food, clothing and health. In our country there is, as was stated earlier, the Child Labour (Prohibition) Regulation Act, 1986. Article 24 of the Constitution prohibits employment of children in hazardous occupations. Factories Act, 1948, also contains

Box 34.9**Tortured Childhood**

Life can be harsh and cruel for a child. The world abuses a boy or a girl in a hundred ways without the slightest of remorse. While millions of children are forced into virtual slave labour in many developing countries, which are shameless enough to cite poverty as a reason for this, both in the industrial and the developing nations, the young are pushed into sex or the pornographic industry. Even more heartrending than these is what happens in Brazil, where gangs of 'cleaners' massacre street kids often in night-long operations. In other places little ones are kidnaped for ransom, and if the money does not come, they are killed in cold blood. But more often than not, they are abducted to be physically maimed and 'employed' as beggars. Again, instances of severe corporal punishment are not rare; there have been cases of a child being crippled by teachers, who believe in bullying their way through. The scars on the body may go away with time, but those on the mind, seldom ever. The feelings of our little men and women are trampled upon so causally by society that human rights not only seem like a big farce, but also appear to be the prerogative of adults.

The recent incident at Alwar in Rajasthan is a case in point. There was a reported move to initiate a 12-year-old boy from Amritsar into monkhood. Although the Rajasthan High Court intervened and granted a stay, it is said that Jain Munis of the Vardhman Sihankwasi Dhrawak Sangh were determined to go ahead with the ceremony that would have pushed the lad into a life of renunciation and sacrifice. The district administration eventually rescued him and two other minors,

who were also being forced to take to 'sanyas'. There was drama and tension in the town; charges and countercharges were traded as well. Some of the residents alleged that it was a matter of "forcible conversion to Jainism", but the head of the Sangha, Acharya Devendra Muni, said that the child's parents had agreed to this initiation. Be that as it may, a more pertinent issue here would be the 12-year-old's trauma of having been abandoned by his mother and the father, who were also merciless enough to rob him of just about every childhood pleasure.

Twelve-year-old Bilkis Khatun and 76 other young girls from West Bengal suffered even more, when they found themselves in Saudi Arabia, far away from their relatives and in utterly humiliating surroundings. They had to beg at Mecca and hand over their collections to an organised gang, which specialises in luring girls away from their poverty-stricken existence with the promise of a Haj trip to Islam's holy city. But once they are there, the children find themselves trapped in a degrading situation. Fortunately, these 77 girls, some barely old as four, were rescued and sent back home, but the fact remains that the parents of some knew that their daughters were being taken away for begging. It is said that such things should happen in the age, and in a country that never misses an opportunity to point out how progressive its thinking is. This certainly sounds hollow, if not absurd, in the face of an attitude, callous enough to perpetrate such misery on the child.

(Source: *The Hindu*, Feb. 27, 1997)

provisions relating to the employment of children on dangerous machines. The Act makes the occupier of the factory liable for prosecution if he violates the provision.

Box 34.10

Children and the Factory System

The following testimony was given by Peter Smart to a Parliamentary Committee investigating working conditions in 1832. Similar testimony was provided by numerous others.

- Q. Where do you reside?
A. At Dundee.
- Q. Have you worked in a mill from your youth?
A. Yes, since I was 5 years of age.
- Q. Had you a father and mother in the country at the time?
A. My mother stopped in Perth, about eleven miles from the mill, and my father was in the army.
- Q. Were you hired for any length of time when you went?
A. Yes, my mother got 15 shillings for six years, I having my meat and clothes.
- Q. What were your hours of labor, as you recollect in the mill?
A. We began at 4 o'clock in the morning and worked till 10 or 11 at night; as long as we could stand on our feet.
- Q. Were you kept on the premises constantly?
A. Constantly.
- Q. Locked up?
A. Yes, locked up.
- Q. Night and day?
A. Night and day; I never went home while I was at the mill.
- Q. Do the children ever attempt to run away?
A. Very often.
- Q. Were they pursued and brought back again?
A. Yes, the overseer pursued them and brought them back.
- Q. Did you ever attempt to run away?
A. Yes, I ran away twice.
- Q. And you were brought back?
A. Yes, and I was sent up to the master's loft, and thrashed with a whip for running away.
- Q. Do you know whether the children were, in point of fact, compelled to stop during the whole time for which they were engaged?
A. Yes, they were.
- Q. By law?
A. I cannot say by law; but they were compelled by the master; I never saw any law used there but the law of their own hands.

(Source: Quoted in *Human Societies* by Gerhard Lenski, New York, McGraw-Hill, 1995, p.269.)

Enactments and orders seem to have little impact on the abolition of child labour. With all the hoopla witnessed in the recent past, no restaurant owner has stopped using children for cleaning tables and utensils, nor the owner of a garage has told the kids not to clean engines and inflate tubes and tyres from tomorrow. Exploitation seems to continue. What is needed is that the conscience of the exploiters must be pricked. All of us must realise that the tender age of children is not to be misused for a profit. Children must be fed well, clothed decently, schooled adequately so that they could grow into healthy citizens.

The UNICEF report recommends allocation of 20 per cent of government budgets to education and basic social services and exhorts donor governments to do the same with their official development assistance.

Countries like the US and Germany have begun to ban the import of the products of child labour. If such products are banned, it is believed, producers might stop

Table 31.5		Percentage of children of primary school age not attending school
<i>Children out of Schools</i>	<i>Sub-Sahara Africa</i>	
	<i>Middle East and North Africa</i>	
	<i>South Asia</i>	
	<i>East Asia and Pacific</i>	
	<i>Latin America and Caribbean</i>	
	<i>Central and East Europe, Commonwealth of Independent States and Baltics</i>	
	<i>World</i>	
	<i>of which developing countries</i>	
	<i>developed world</i>	

(Source: UNICEF, 1996)

producing and children would not be exploited. This argument holds good in the long-run but may fail to have any impact in the short-run. In the short-run, factories stop production, children lose their jobs and parents lose their additional incomes forcing them to abuse their children in a much more horrendous manner.

The most effective way of tackling the problem is realisation on the part of parents, governments, NGOs and all other sections of society that the innocent child should not be exploited for a profit.

CONSUMERISM

Consumerism is a movement to inform consumers and protect them from business malpractices. The movement focusses on inferior and dangerous merchandise, unfair business practices and false or misleading advertisements. Unfair practices by businessmen abound. Artificial scarcities are created; prices are unreasonably hiked; adulteration is unabashedly practised; under-measurement and under-weighting are rampant; money is accepted in advance, promising delivery of product in question within a specified time but seldom honoured and after-sales services are mostly an unkept promise. Ads and labels are misused and are full of sex, false claims and half truths.

Businessmen should realise their moral responsibility and avoid indulging in practices that are harmful to consumers. Such enlightened self-realisation is unfortunately lacking. Government regulation becomes necessary to protect consumer interest.

The government has appropriately passed several legislations and issued notifications and orders to restrain businessmen from indulging in felonies. Consequently, we have around fifty laws which have been enacted to protect their interest. The Consumer Protection Act, 1986, is the latest to be enacted by the Central Government. This is the most powerful piece of legislation which provides effective protection against unfair trade practices, unsatisfactory services and defective goods. The Act provides for setting up of special forums at district, state and Central levels to deal exclusively with consumer complaints and issues. It provides for awarding

compensation to the aggrieved consumer. The Act brings in its fold even public undertakings which were excluded by previous legislations.

The apex court, called the National Commission, functions in Delhi. Every state government has a State Commission. There are 543 (January 1999) district fora. All these courts have handled nearly 13 lakh cases of which about 10 lakh cases have been disposed off.

The Consumer Protection Act has been regarded as the most progressive, comprehensive and unique piece of legislation. In the last international conference on consumer protection held in Malaysia in 1997, the Act was hailed as one "*which has set in motion a revolution in the field of consumer rights, the parallel of which has not been seen anywhere else in the world*".

Besides enacting legislations, the government has taken other measurement to protect consumer interest. The government has included consumer protection as an item of the 20 Point Programme. A Consumer Advisory Council has been set up by agencies, including state governments, the Textile Committee and the Department of Science and Technology. The media is giving coverage to the subject and AIR and Doordarshan have been organising programmes like Lok Samasyani Sansad and Janavani.

Apart from what the government does, the consumer should himself assert his rights and protect himself against business malpractices. This is the genesis of consumerism. Various consumer movements have come up in different parts of the country and as of today, there are 237 and odd consumer organisations working towards consumer protection. The consumer movement is still in its nascent stage. It is sure to grow and become more powerful as we go into the future (Read box 34.11 for the list of consumer groups).

A powerful consumer movement bestows certain responsibilities on business. Understanding consumer needs and producing goods and services to satisfy the needs do not complete the businessmen's responsibilities. They have additional responsibilities such as:

Truth in Ads and Labels

Advertising is a vehicle through which the seller seeks to inform and guide the buyer to make intelligent buying decisions. In practice, advertising carries false claims, half-truths and sex pictures. Advertisement fails to help the buyer to make intelligent buying decisions.

It is heartening to note that the advertising profession has also realised the need for observing a certain code of conduct while advertising products. In April 1982, the Ad-Club of India (ACB) appointed a committee to formulate a regulatory code for the profession that includes advertisers, agencies and the media. The committee suggested the following code which has been accepted:

Advertising Code

- 1. Advertiser should not claim and do not intend to claim that:
- 2. Advertiser should not generally accept responsibility for:
- 3. Advertiser should not accept responsibility for:
- 4. Advertiser should not accept responsibility for:

- Observe fairness in competition between different brands of the same product, or a product and its substitute.

The code seeks to ensure protection to consumers against spurious advertising and guarantee that generally accepted standards of morality are upheld.

Box 34.11**Consumer Groups in India**

Sr.No.	Name	Year of Estbl.
1.	Passengers and Traffic Relief Association (PATRA)	1915
2.	Women Graduate Union (WGU)	1915
3.	Women's India Association (WIA)	1917
4.	Triplicane Urban Cooperative Stores (TUCS)	1949
5.	Indian Association of Consumer (IAC)	1956
6.	Fredric Naumann Foundation (FNF)	1960
7.	Gayatri Charitable Trust (GCT)	1960
8.	International Organisation of Consumers Union (IOCU)	1960
9.	Jyoti Sangh Grahak Suraksha Vibhag	1962
10.	Bombay Civil Trust (BCT)	1963
11.	Consumer Guidance Society of India (CGSI)	1966
12.	Baroda Citizen Council (BCC)	1966
13.	All-India Bank Depositors Association (AIBDA)	1968
14.	Surat Consumer Association (SCA)	1969
15.	Karnataka Consumer Services Society (KSCC)	1970
16.	Visaka Consumer Council (VCC)	1973
17.	Akhil Bharatiya Grahak Panchayat (AGBP)	1974
18.	Trichy District Consumer Council (TDCC)	1976
19.	Consumer Education and Research Centre (CERC)	1978
20.	Mumbai Grahak Panchayat (MGP)	1979
21.	Grahak Panchayat (GP)	1979
22.	Jagrut Panchayat (JP)	1980
23.	Consumer Forum (CF)	1980
24.	Consumer Education Centre (CEC)	1982
25.	Voluntary Organisation in the Interest of Consumer Education (VOICE)	1984
26.	Consumer Unity and Trust Society (CUTS)	1984
27.	National Centre For Human Settlements & Environment (NCHSE)	1984
28.	Consumer Guidance Society of Jamshedpur (CGSJ)	1984
29.	Consumer Action Group (CAG)	1985

30.	Common Cause (CC)	1985
31.	SMN Consumer Protection Council	1986
32.	Bombay Telephone Users' Association (BTUA)	1989
33.	Federation of Consumer Organisations of Tamil Nadu (FEDCOT)	1990
34.	Confederation of Indian Consumer Organisations (CICO)	1992
35.	Gujarat Federation of Consumer Organisations (GUSFECO)	1992
36.	Consumer Coordination Council (CCC)	1992

With the formation of the code, the advertising profession has started working on establishing a body to implement advertising norms and standards. The body, a public limited company, is called the Advertising Standards Council of India (ASCI).

Closely related to truth in advertising is the question of truth in labelling. The label gives additional information about the product and the seller seeks to enable the buyer to know what the product will or will not do for him. Like ads, labels are also misused. To check such misuse, the government has passed the Central Packaged Commodities (Regulation) Order, 1975, which requires the disclosure of such information about the products as the name of manufactures, date of manufacture, date of expiry, net weight, and sale price on the containers and the packages.

Responsibility for Product Performance

Consumers have the right to expect the products they buy to be what their producers claim them to be and further they have a right to expect them to be safe. In the past when products were simple and familiar to consumers, it was reasonable to expect them to share responsibility for product performance. As the products become varied and complex and unfamiliar to the buyers, responsibility in performance should not be theirs. Businessmen should assume full responsibility. Such assurances as moneyback guarantee and guarantee for a said period are not enough. Responsibility for performance and safety throughout the life of the product should be assumed by businessmen. Luckily, for businessmen, product liability suits are not filed in law courts by consumers in India as is done in the US.

Cost of Consumer Protection

Consumer protection has cost implications.

Consumer no doubt needs protection against business malpractices. But too much protection is not advisable as it has cost implications. Consumer protection costs may be defined in three ways:

Economic Costs: Economic costs are connected with the defending charges of regulatory agencies and cost of manufacturing consumer safety devices such as safety belts, pollution control devices and built-in safety measures. The economic costs are passed on to the consumers through increased prices of goods and services.

Social Costs: More severe are the social costs which reflect themselves in at least three ways. First is the loss of freedom of choice to the buyer. Increased protection means that the consumer depends more on the system, thus depriving him of an opportunity of making a choice, no matter if mistakes are committed in the process. Mistakes, it is said, are a part of growth. Secondly, increased protection results in

the proliferation of government agencies which upsets pluralistic balance. Finally, the fear of product liability discourages innovation.

Opportunity Costs: A third category of consumer protection cost is opportunity costs. These costs arise from the ordering of social priorities.

"Resources used for one purpose make them unavailable for other use." Observe Keith Davis and Blomstrom. "Disproportionate concern with consumer protection may divert attention and resources away from social problems which should have equal or perhaps greater priority."

RURAL DEVELOPMENT

Majority of people in our country, as is well known, live in villages. The living conditions of villagers are far from satisfactory. Anything that is done in the direction of improving their living conditions is welcome. The Government of India is doing a yeoman service in this direction under its Integrated Rural Development Programme (IRDP). The efforts of the government need to be supplemented by business establishments, because the task of making living decent and comfortable for villagers is stupendous, considering the number of villages in our country and their geographical spread.

Rural development encompasses a wide variety of activities such as laying roads, providing drinking water, offering jobs and the like.

What specific activities can business undertake in the name of rural development? There are many urgent and important facilities to be provided such as good roads, drinking water, employment, medical aid, family planning, housing, schools and nutrition programmes.

Many progressive business houses have adopted certain villages for their all-round development. Particular mention may be made of the public sector giant Bharat Heavy Electricals Ltd.(BHEL) which has carved out a name for itself in this direction.

There are other instances also. An IMRB study conducted recently reveals that 83 per cent of the 150 sample companies are active in rural development. On top are the Tatas who had set up Tata Steel Rural Development Society, way back in 1979 itself. Mafatlals were also one of the first industrialists to set up a rural development organisation, viz., *Satguru Seva Sangh*. Many companies are active in playing a facilitative role in implementing World Bank sponsored projects or the government's Integrated Rural Development projects. Mangalore Chemicals and Fertilizers(MCF), a UB group company, has been involved in socio-economic development work for several years now. In 1975, the United Kingdom, under what is known as the Colombo Plan, granted aid for the overall growth of villages in the developing countries. As part of the aid, 2,700 million tonnes of fertiliser was supplied to MCF by the UK government to undertake overall development activities in the underdeveloped regions of Karnataka. MCF sold this and with the proceeds, created a corpus of Rs.40 lakh.

MCF surveyed several villages in the districts of Bellary and Raichur, keeping in view the irrigation potential, agricultural practices followed, adequate representation of small and medium land holding farmers as also rural artisans and selected Sangankal village of Bellary district and Herur village of Gangavathi taluk of Raichur district for implementation of the project. The project name is rather a mouthful: UK-MCF-TGB. Introduction of double cropping, use of balanced fertilisers, better water management etc. are a few of the achievements which have increased the income

of farm families from Rs.4,000 to Rs.10,000 annually. From the interest accrual on the corpus fund of Rs.40 lakh, the trust has so far spent Rs.21.26 lakh towards various developmental activities.

Further down South, SPIC's agro-service centres (ASC) are yielding similar results. 10 ASCs were set up in Tamil Nadu. Today, there are 21 and extend to the neighbouring states of Andhra Pradesh, Karnataka and Pondicherry. Each ASC has 10 villages attached to it as satellite villages, located within a radius of 10-15 km from the main centre.

Apart from the ASCs, SPIC has rural development centres in Tamil Nadu and Andhra Pradesh for training in scientific farming and helping in integrated farming efforts, the agricultural and rural development programmes are conducted by technical assistants. Necessary tools like tractors with accessories, pre-fabricated buildings, agricultural implements and plant protection equipment are offered at subsidised rental rates.

PROJECTS AND PEOPLE

Citing a project in a particular area is not always welcome. The project once completed will result in, among other things, displacement or even death (see Box 34.12) of people who were hitherto inhabiting the area. It is the responsibility of the business to rehabilitate such displaced persons.

Unfortunately, this responsibility is not realised by promoters-government or private. The Visakhapatnam Steel Plant provides a typical example. The project authorities had given an assurance that 5,000 displaced persons would be absorbed in the project subject to their suitability. So far, 1,339 of them have found jobs. Another 3,500 were to have been employed by the contractors. But it is not clear what happens to them once the contractor's job is over.¹⁸ Another example is the Yeluru reservoir project in Andhra Pradesh which will displace 10,121 persons, including 3,000 from the Scheduled Castes and Tribes.¹⁹ (see Box 34.13).

It is heartening to note that the late Mrs.Indira Gandhi took a firm stand on the conditions that should be fulfilled before a green field project can be considered for clearance... at least two schemes that the state governments must tie up before they can expect to secure approval for their industrial projects: one of them relates to afforestation and the other to rehabilitation of displaced persons. Both are aimed at safeguarding human interest.

PHYSICALLY HANDICAPPED

Yet another social action of business houses is the rehabilitation of physically handicapped people. We have 70 million disabled citizens in the country and the response of the corporate sector towards these hapless citizens has been lukewarm. The Disability Act, 1995, which mandates that every enterprise in the organised sector should reserve three per cent of its workforce for the physically handicapped, has not made any difference. According to a study conducted by the National Centre for Promotion of Employment for Disabled People (NCPEDP), the average percentage of physically handicapped in the total workforce of public sector enterprises is just 0.4 per cent. In the private sector, it is much less - 0.23 per cent. Table 34.6 gives more details about the number of disabled employees in select private and public sector enterprises.

Box 34.12**Biju Patnaik reveals a 30-year-old secret**

Biju Patnaik is no stranger to making wacky statements. Residents of Orissa put it all down to his advancing years. But a recent admission shocked even those who had by now gotten used to his pronouncements.

Patnaik said that 200 children had been sacrificed at the altar of economic development. It all happened 30 years ago, when Biju Patnaik was overseeing the construction of the Paradip port. At the time, he was in his first term as Chief Minister. To get the project completed in record time came as a challenge, especially as the Congress government at the Centre-Biju was a Congressman then-he had not favoured the project due to the area's adverse topography.

Paradip was completed in two years. But three decades later, it has been revealed by Patnaik himself that his 'glorious success' was steeped in the blood of 200 children.

While addressing a gathering at a seminar on fiscal discipline organised by the Orissa Financial Service Association (OFSA) in Bhubaneswar, the 78-year-old ex-Chief Minister spoke of the lightning speed with which construction work at Paradip had been

completed. In the same breath, he lamented today's slow pace in completing projects.

Patnaik recalled that he had entrusted the construction of the port project along with that of the Daitari-Paradip highway to an executive engineer, instructing him to complete the jobs in record time.

The engineer accepted on one condition: no action should be taken against drivers of the hundreds of trucks pressed into service if people were killed in road accidents caused by the lorries. Patnaik agreed.

The engineer had imported about 900 trucks and drivers from Punjab. The vehicles piled at breakneck speed in and out of villages around the projects. Although 200 children were run over by the fast-moving trucks, no driver was arrested in view of Patnaik's agreement with the executive engineer.

These revelations set off reactions of shock and anger. Patnaik baiters are now wondering how many children will be sacrificed for the Chief Minister's latest pet project, a steel plant at Daitari.

(Source: Sunday 13-19 June, 1993)

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

The year 1983 goes down in history as the darkest year for it was in this year that scientists discovered a baffling disease called AIDS, also named 'Gray Plague', that has taken a heavy toll of human lives. Across the globe, 2.3 million people died in 1997 because of the dreadful disease. At the beginning of 1998, more than 30 million people, about 0.5% of the earth's population, have been infected with HIV-the AIDS-causing virus.

The African continent is the worst hit. In Zimbabwe and Botswana, for example, a quarter of the adult population is infected. Unless there is an unforeseen breakthrough in treatment, all those infected will die from AIDS. As a result, the life expectancy of the average Zimbabwean, having risen steadily until 1990, when it was 56, is likely to fall to only 49 by the end of the century and that of a Botswana, will fall by a decade.