

Chapter : 9

Ethical Expectations: Buyers & Sellers

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Sellers whether producers or distributors can not arrange to sell their products/ services in order earn profit without reaching the buyers. On the other hand, buyers in order to satisfy various kinds of their needs either to keep their existence or to raise their living standards always look for some products/ services which they can not manage to procure without the services of the sellers whether they are producers or distributors. Buyers and sellers are like two teams of a game , fighting one with the other to win but the absence of one of the teams make the play/ game impossible & unthinkable. It is therefore, not only a healthy sign but an essential task to care for the interest of opponent group in order to protect their own interest and existence. Untill the first quarter of the 20th Century sellers maintained their supremacy by whatever means they could but since then buyers have been keeping them organised to protect their interests, hence appears consumerism.

Consumers are beginning to emerge as a powerful pluralistic social institution. As the nation has become industrialized, as products have become more complex, and distances between consumer and producer have increased, consumers are forced to depend on producers more than ever before for product reliability and for truthful product information upon which to base purchasing decisions. Business has not always responded well to consumer's needs and wants. As a result there has been an increasing amount of restrictive legislation. Courts, too, have become progressively more strict in requiring producers to assume responsibility for product failure. All in all the consumer movement poses a challenge for business: a challenge to become more consumer-oriented, and a challenge to "do better"

The producer so to say the sellers must maximize the customers' satisfaction in order to make repeat customers. The old doctrine of buyers care while buying has been changed over time as sellers care. That means sellers must not sell unreliable, unsafe and injurious products and price to be charged should not also be too high.

9.1 Sellers must know their marketing missions

Marketing to be successful must operate following organizational mission and objectives. An analysis of past trends and current situation are most useful for planning the appropriate course of marketing action.

A model of the selling process

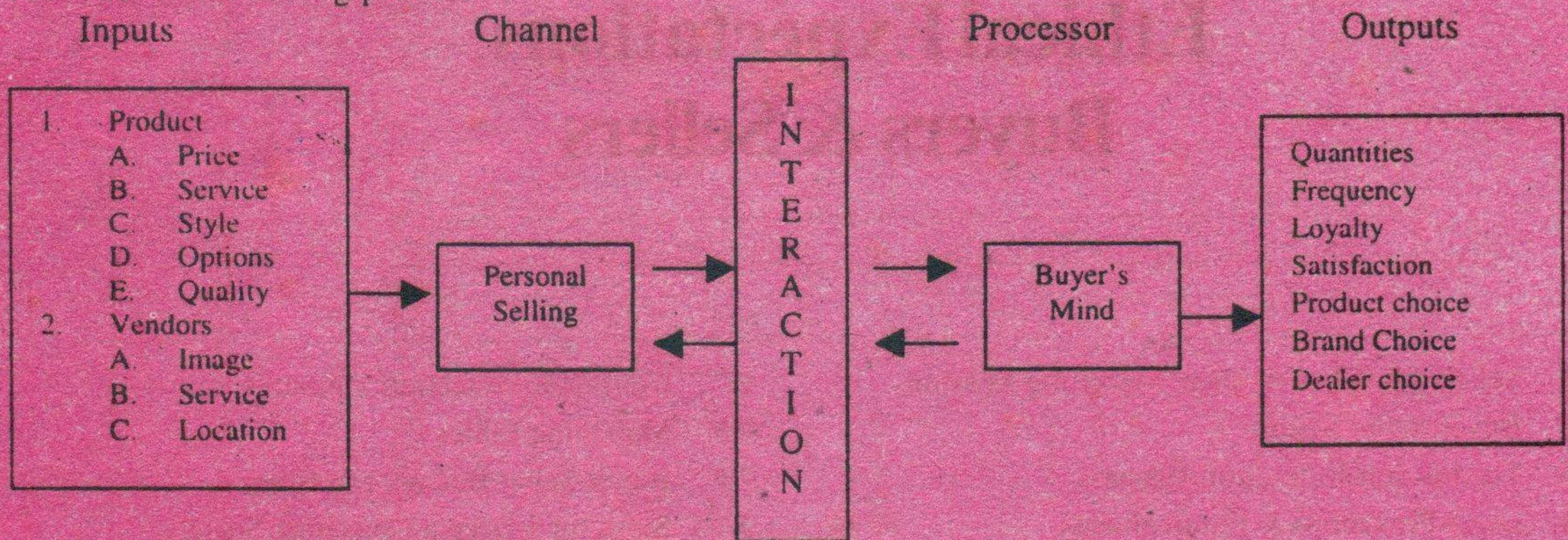


Figure- 9.A: Showing A Model of the Selling Process

The situation analysis can be divided into six major areas of concern:

- [i] The cooperative environment among the parties like
 - a. resellers;
 - b. suppliers;
 - c. other departments in the firm and
 - d. subdepartments and employees.
- [ii] The competitive environment which include such things as
 - a. acquiring competing firms
 - b. offering demonstratively better value to consumers and attracting them away from the competitors; and
 - c. in some cases, driving the competitors out of the race.
- [iii] The economic environment identifying the areas like
 - a. present & foreseeable opportunities;
 - b. present & foreseeable constraints
- [iv] The social environment which include among others
 - a. trend of social tradition;
 - b. state of general cultures;
 - c. trend of norms & expectations; and
 - d. attitudes of the people
- [v] The political environment which includes among others
 - a. state of awareness of their rights
 - b. attitudes & reactions of the general public
 - c. social & business critics; and
 - d. existence of organised forces and bodies;
- [vi] The legal environment which includes among others
 - a. national, regional and local legislations;
 - b. attitude of the people seeking court remedy.

9.2 The Position of the Buyers Compared to the Sellers

The consumer's position in some sectors of the economic system tends to be weak. Among the causes of this weakness are these:

1. Some sellers suppress pertinent information about their products.
2. The consumer ends up by paying for a major share of the wastes involving in marketing.
3. It is difficult for the consumer to judge the quality of the products and services (e.g., insurance) in the market.
4. The information about the products and services that is offered may be misleading and confusing.
5. The number of brands of the various items complicates the consumer's selection to an even greater degree.
6. It is too complex for the average consumer to evaluate the myriad conflicting claims of competing manufacturers.
7. There is a tendency for some sellers to try to get the consumer to purchase on the basis of emotion rather than on the use of objective data.

The consumer may lack the education and knowledge to judge what is the best by relative to his or her preferences.

9.3 The Responsibilities of Business

Simply obeying laws and regulations does not exhaust the moral responsibilities of business in the area of consumer safety. Abiding by the following would do much to help business behave morally with respect to consumer safety:

1. When a product is ready to be marketed, companies should have their product-safety staff review their market strategy and advertising for potential safety problems. This step is necessary because both product positioning and advertising influence how a product is used, which in turn affects the likelihood of safety problems.
2. When a product reaches the marketplace, firms should make available to consumers written information about the product's performance. This information should include operating instructions, the product's safety features, conditions that will cause it to fail, a complete list of the ways the product can be used, and a cautionary list of the ways it should not be used. Warnings must be specific.
3. Companies should investigate consumer complaints. This process encourages firms to deal fairly with consumers and to use the most effective source of product improvement: the opinions of those who use it.
4. Business should give safety the priority warranted by the product. If the margin of safety can be increased without significantly insulting budgetary considerations, fine; if not, then safety questions are shelved.
5. Business should abandon the misconception that accidents occur exclusively as a result of product misuse and that it is thereby absolved of all responsibility. The point is that the company shares responsibility for product safety with the consumer. Rather than insisting that consumers' abuse of product leads to most accidents and injuries, firms would probably accomplish more by carefully pointing out how their products can be used safely.
6. Business must monitor the manufacturing process itself. At the design stage of the process, the need to product ways the product might fail and the consequences of such failure. For production, companies ordinarily can select materials that have been protested or certified as flawless.

9.4 Legal Provisions & Enforcements

In the United States, over the years a number of enactments were passed to safeguard the interest of the buyers, the consumers. Regulatory agencies and the selected enactments are shown as under:

A. Regulatory Agencies in the USA to look after the Consumers Interests:

S.I No.	Agency	Function
1	Federal Trade Commission[FTC]	Enforces laws and guidelines regarding unfair business practices and acts to stop false and deceptive advertising and labeling.
2	Food and Drug Administration[FDA]	Enforces law and regulations to prevent distribution of adulterated or misbranded foods, drugs, medical devices, cosmetics, veterinary products, and hazardous consumer products
3	Consumer Products Safety Commission	Ensures compliance with the Consumer Product Safety Act and seeks to protect the public from unreasonable risk of injury from any consumer product not covered by other regulatory agencies.
4	Interstate Commerce Commission[ICC]	Regulates rates, finances, and franchises of interstate rail, bus, truck, and water carriers.
5	Federal Communications Commission[FCC]	Regulates wire, radio, and television communication in interstate and foreign commerce.
6	Environmental Protection Agency [EPA]	Develops and enforces environmental protection standards and researches the effects of pollution.
7	Federal Power Commission[FPC]	Regulates rates and sales of natural gas products, wholesale rates for electricity and gas, pipeline constructions, and imports and exports of natural gas and electricity to and from the United States.

B. Legislations to Protect Consumer in the U.S.A.

S.I No.	Legislation	Purpose
1	Pure Food and Drug Act [1906]	Protects against the adulteration and misbranding of foods and drugs sold in interstate commerce.
2	Food, Drug, and Cosmetic Act[1938]	Protects against the adulteration and sale of foods, drugs, cosmetics or therapeutic devices and allows the Food and Drug Administration to set minimum standards and guidelines for food products.
3	Wool Products Labeling Act[1940]	Protects manufacturers, distributors, and consumers from undisclosed substitutes and mixtures in manufactured wool products.
4	Fur Products Labeling Act[1951]	Protects consumers from misbranding, false advertising, and false invoicing of furs and fur products.
5	Flammable Fabrics Act [1953]	Prohibits the interstate transportation of dangerously flammable wearing apparel and fabrics.
6	Automobile Information Disclosure Act [1958]	Requires automobile manufactures to put suggested retail prices on all new passenger vehicles.
7	Textile Fiber Products Identification Act [1958]	Protects producers and consumers against misbranding and false advertising of fiber content of

S.I No.	Legislation	Purpose
		textile fiber content of textile fiber products.
8	Cigarette Labeling Act[1965]	Requires cigarette manufacturers to label cigarettes as hazardous to health.
9	Fair Packaging and Labeling Act [1966]	Makes unfair or deceptive packaging or labeling of certain consumer commodities illegal.
10	Child Protection Act [1966]	Removes from sale potentially harmful toys and allows the FDA to pull dangerous products from the market.
11	Truth-in-Lending Act [1968]	Requires full disclosure of all finance charges on consumer credit agreement and in advertisements of credit plans.
12	Child Protection and Toy Safety Act [1969]	Protects children from toys and other products that contain thermal, electrical, or mechanical hazards.
13	Fair Credit Reporting Act [1970]	Requires that consumer credit reports contain only accurate, relevant and recent information and are confidential unless a proper party requests them for an appropriate reason.
14	Consumer Product Safety Act [1972]	Created an independent agency to protect consumer from unreasonable risk of injury arising from consumer products and to set safety standards.
15	Magnuson-Moss Warranty Federal Trade Commission Improvement Act [1975]	Provides for minimum disclosure standards for written consumer product warranties and allows the FTC to prescribe interpretive rules and policy statements regarding unfair or deceptive practices.
16	Alcohol Labeling Legislation [1988]	Provides for warning labels on liquor saying women should not drink when pregnant and alcohol impairs your abilities.
17	Nutrition Labeling and Education Act [1990]	Requires truthful and uniform nutritional labeling on every food the FDA regulates.

9.5 Sellers Rights as a Market Power

Sellers acting as distributors of products/services are rendering beneficial acts to the general members of the public who are popularly known as consumers. But these groups of people while rendering such services enjoy some rights of market power as under:

1. Sellers have the right to introduce any buying incentive schemes they wish so long as they are not discriminatory.
2. Sellers have the right to introduce any product in any size, style, color, etc. so long as it meets minimum requirements of health and safety.
3. Sellers have the right to promote the product as they please as long as they avoid discriminations which are harmful to competition.
4. Sellers have the right to promote the product using any amount of resources, media, or message so long as no deception or fraud is involved.
5. Sellers have the right to alter the product offering at any time.
6. Sellers have the right to distribute the product in any reasonable manner.
7. Sellers have the right to limit the product guarantee or post-sale services.

The above list is not exhaustive but it serves to illustrate the relatively greater power of sellers and the need to balance the rights and power of buyers and sellers.

9.6 Emergence of Consumerism Movement

Buyers all over the world irrespective of whether they belong to the developed or developing regions have now become more value conscious and respond only to those marketing stimuli which hold out credible assurance pertaining to the optimal satisfaction of their wants. Attempts have been made by the western consumers to establish their rights by launching a movement called 'consumerism'. It is a social movement designed to protect and augment the rights of the consumers over the sellers. The products have got the power or the right to design the product, distribute, advertise, and price it, while the consumer has the power of not buying it.

Scope of Consumerism

The broad scope of consumerism is evidenced by the Consumer Advisory Council's list of the ten major fields interest to consumers.

The ten original fields are:

1. Antitrust action and prevention of price-fixing.
2. Provision of adequate housing for the nation's families.
3. Adequate medical care for all citizens.
4. Consumer standards, grades, and labels.
5. Two-way flow of information and opinion between government and the consumer.
6. Effective consumer representation in government.
7. To study the consumer credit situation and improve it if necessary.
8. To improve the administration, enforcement and scope of programs in governmental agencies.
9. To accelerate economic growth.
10. Improvement of levels of consumption of low-income groups.

From all of the above, it is clear that the scope of consumerism is quite broad. However, there is a high probability that consumerism will eventually become part of the two other areas of social concern, distortions and inequalities in the economic environment and the declining quality of the physical environment.

Rationale Behind Emergence of Consumerism

Sellers got united and they were exploiting the consumers beyond any limit. It was all possible because the consumers were scattered & they had no forum of their own to speak & fight for their points. Gradually, media and conscious citizen started cry in favor of the buyers. This force latter came to be known as the consumerism.

A review of literature on various aspects of consumer protection indicates that the cases of :

1. Defective weights and measures etc.	7. Statements, suggestions or pictures offensive to public decency.
2. False and misleading statements or exaggerations, visual or verbal.	8. Poor and sub-standard products and service performance
3. Testimonials which do not reflect the real choice of a competent witness.	9. Gross adulteration
4. Price claims which are misleading.	10. Deceptive advertising
5. Comparisons which unfairly disparage a competitive product or service.	11. Special problems of the disadvantaged.
6. Claims insufficiently supported, or which distort the true meaning or practicable application of statements made by professional or scientific authority.	12. Increasing public awareness for scrutiny of business practices.
	13. Product failures and growth in the quantity and complexity of the product.

14. Differences in the models of the market place used by marketers and critics.	20. Create false wants and too much materialism.
15. Marketers role of persuading or seducing the less-than-willing consumer to buy.	21. Too much cultural pollution.
16. Too much cost in marking in raises prices of the products.	22. Too much political powers.
17. Enables sales of shoddy or unsafe products.	23. The consumer informatiøn gap.
18. Creates planned obsolescence.	24. Antagonism toward advertising.
19. Poor service to disadvantaged consumer	25. Intrusions of privacy.
	26. Charging of exorbitant and unreasonable prices.

Persuasive advertisement- A Satire

It would be difficult to mark the exact time at which advertising ceased to be essentially a means of informing or circulating news about products or services and became a positive force for persuasion. The mongers of London developed their art of persuasion in very early times to the point where they were celebrated in art and literature with their "Cries of London" and even **Jonathan Swift** wrote lyrics for them over two hundred years ago. His "singing commercial" on oysters is a classic, buy would hardly pass muster with the regulatory bodies of today. The lyrics runs as :

Cries of London

Charming oysters I cry;
 My masters, come buy,
 So plump and so fresh,
 So sweet is their flesh,
 No Cholesterol oyster
 Is sweeter and moister:
 Your stomach they settle,
 And rouse up your mettle,
 They'll make you a dad
 Of a lass or a lad;
 And Madam your wife
 They'll please to the life;
 Be she barren, be she old
 Be she slut, or be she scold,
 Eat my oysters, and lie near her
 She'll be fruitful, never fear her

9.7 Consumer Protection Measures

A. Major Rights of Consumers

Consumer advocates claim that the balance of power lies with sellers and that business has failed to exercise responsively the massive power it has. A key reason for the imbalance of power is that consumers today are more dependent on business for product quality than ever before. The rights of the consumers if could be adequately honoured by the sellers, the position would have been better. However, the major rights of consumers include:

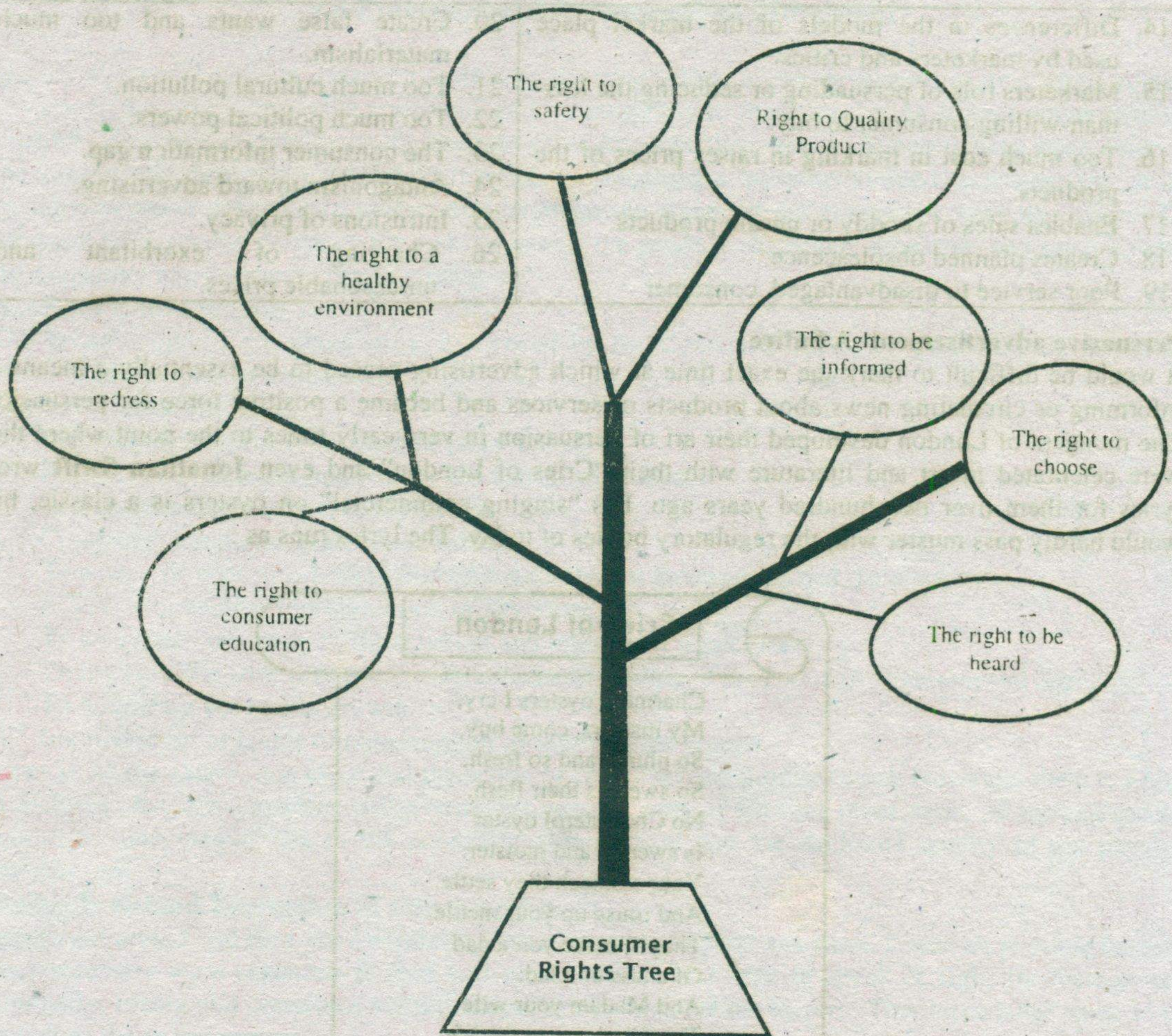


Figure-9.B: Showing the Different Types of Consumer Rights

The Right to Safety: The right implies protection against the marketing of good which are hazardous and harmful to health or life. Such a right has motivated numerous laws to protect consumers when they cannot be expected to have sufficient knowledge to protect themselves. Thus, laws pertaining to foods, textiles, drugs, cosmetics and tires demand that the products not endanger health or health or safety and that if the potential exists for dangerous misuse a clear warning be provided.

These developments in product liability law set the general framework within which manufacturers must operate today. In addition, a number of government agencies have become involved in regulating product safety. Despite the obvious public benefits of safety regulations, critics worry about the economic costs. Safety regulations may also prevent individuals from choosing to purchase a riskier, though less expensive, product. Economists worry about the inefficiencies of preventing individuals from balancing safety against price. Philosophers worry about interfering with people's freedom of choice.

In regard to safety regulations, three comments are in order:

[a] the safety of some products or some features of products (such as a car's breaks) affects not just the consumer who purchases the product but third parties as well.

[b] anti-paternalism gains plausibility from the view that individuals know their own interests better than anyone else and that they are fully informed and able to advance those interests.

[c] the controversy over legal paternalism pits the values of individual freedom and autonomy against social welfare.

Right to Product Quality

Most people would agree that business bears a general responsibility to ensure that the quality of a product measures up to the claims made about it and to reasonable consumer expectations.

The right to be informed: The right to be informed is a fundamental economic interest of the consumer. There is wide agreement that this right implies at a minimum that the consumer should not be deceived. Just what constitutes deception is more controversial and fluid.

The right to choose: The major effort is directed at increasing the number of competitors and insuring that competitors do not have understandings that are detrimental to the long-run interests. Increasing attention is being paid to the economic role of advertising, especially its potential for raising prices, profits, and barriers to entry, which can reduce the range of choice.

The right to be heard: The rights to heard involves an assurance that consumer interest will be considered in the formulation of government policy and in regulatory proceedings. The difficulty is that the consumer movement is relatively amorphous and lacks the authoritative spokesmen that labor, business, medicine, education, and other interest groups have.

The right to redress: Is now generally accepted that there is a fifth right to recourse and redress, that is, to fair just claims. A variety of innovations, including free legal services for the poor, consumer class action suits and arbitration procedures, have substantially enhanced this right.

The right to consumer education: This right incorporates the right to acquire knowledge and skills needed for taking actions to influence factors which affect consumer decision.

The right to a healthy environment: The list of consumer rights has been further expanded to include the right to a physical environment that will enhance the quality of life. Indeed, consumerism has been defined broadly as an organized expression for an improved quality of life.

B. Other Areas of Consumer Rights & Concerns

There other areas of business responsibility – product quality, pricing, and packaging and labeling –are equally important and taken equally seriously by the agents of consumer movement.

[a] Product Desirability

The demand for high-quality products is closely related to a number of themes mentioned in the discussion of safety. The moral concern, of course, is whether a product lives up to its billing. Express warranties include assertions about the product's character, assurances of product durability, and other statements on warranty cards, labels, wrappers, and packages or in the advertising of the product. *Implied warranties* include the claim, implicit in any sale, that a product is fit for its ordinary, intended use. The law calls this the implied warranty of *merchantability*.

Additional Consumers Expectation from Business

1	The right to be Guided: Customer services should be available by way of advice, guidance and proper direction from the manufacturer or their distributors/agents.
2	The right to be protected from wrong publicity: The customers deserve to be protected from false, misleading, and exaggerated advertisement.
3	The right to get after sales-service: Repeat use products be assured of after sales fitting, repair, servicing, and polishing and spraying facilities for minimum number of years to be decided on the basis of declared durability.
4	Other facilities: [a] More effective quality control procedures be established by manufactures, [b] Improved communication methods be developed at all marketing levels, [c] Pricing strategy be set on a unit basis to allow the consumer to make more realistic comparisons. [d] Manufactures take the initiative in setting standards for safety, service, and certification. [e] Better procedures be instituted whereby customer-seller-manufacturer complaints can be handled [f] Warranties for products be simplified and the distribution link closest to the consumer be given greater autonomy in rendering the service these warranties.

[b] Prices

More and more frequently, purely psychological factors enter into the price-setting equation. Manufactures trade on human psychology when they sell substantially identical products at different prices. Sometimes consumers are misled by prices that conceal a product's true cost. Ethically dubious practices is printing on packages a suggested retail price that is substantially higher than what retailers are known to charge.

Much more attention has been devoted to price fixing, which despite its prevalence is widely recognized as a violation of the rules of the game in a market system whose ideal is open and fair price competition. It is the manufacturer, not the retailer, that engages in price fixing. Although manufacturers often suggest prices to their retailers, the retailers are supposed to be free to set their own prices, depending on the profit they foresee in the market. Any agreement between a manufacturer and a retailer to fix a price is illegal.

[c] Labeling and Packaging

Business's general responsibility to provide clearer, accurate, and adequate information undoubtedly applies to product labeling and packaging. Often, however, labels and packages do not tell consumers what they need to know, or even what exactly they are getting. Frequently shoppers are misled by such terms as large, extra large, and economy size and have difficulty comparing the net quantities of the contents (ounces, pints, quarts, liters, grams). Without a pocket computer, consumers find it difficult in many stores to calculate the relative prices of items. The moral issues involved in packaging and labeling relate primarily to truth telling and consumer exploitation. Those responsible for labeling and packaging would be well advised to consider at least the following questions, a negative answer to any of which could signal a moral problem: Is there anything about the packaging that is likely to mislead consumers? Have we clearly and specifically identified the exact nature of the product in an appropriate part of the label? Is the net quantity prominently displayed? Is it readily understandable to those wishing to compare prices? Are ingredients listed so they can be readily recognized and understood? Have we indicated and represented the percentage of the contents that is filler, such as the one in a piece of meat.

[d] No Misleading Advertisements :

Advertisements are welcome by the consumers because through advertisements they come to know the news of recent products, their contents, beneficial qualities and the ways to procure those. But these advertisements to be really useful to the consumers must be free from the following:

[i] Ambiguity

When advertisements are ambiguous, they can be deceiving. At stake are not only people's money but also their health, loyalties, and expectations. The potential harm a misleading ad can cause is great, not to mention its cavalier treatment of the truth. For these reasons ambiguity in ads is of serious moral concern.

[ii] Concealed Facts

When advertisers conceal facts, they suppress information that is unflattering to their products. That is, they neglect to mention or distract consumers' attention away from information, knowledge of which would probably make their products less desirable. Advertisements for painkillers routinely conceal relevant information.

[iii] Exaggeration

Advertisers can mislead through exaggeration – that is, by making claims unsupported by evidence. Manufacturers of vitamins and other dietary supplements are notorious for exaggerating the possible benefits of their products.

Psychological Appeals**[iv] Emotional Appeal**

A psychological appeal is one that aims to persuade by appealing primarily to human emotional needs and not to reason. This is potentially the area of greatest moral concern in advertising. Ads that rely extensively on pitches to power, prestige, sex, masculinity, femininity, acceptance, approval, and the like aim to sell more than a product. They are peddling psychological satisfaction.

[v] Unconscious Demand Creation

Subliminal advertising is advertising that communicates at a level beneath our conscious awareness, where, some psychologists claim, the vast reservoir of human motivation primarily resides. Most marketing people would likely deny that such advertising occurs.

[vi] Advertisements Directed at Children

Advertising to children is big business. In recent years advertising aimed specifically at children has grown exponentially. "Kids are the most pure consumers you could have," says one advertising expert. "They tend to interpret your ad literally. They are infinitely open. Advertising to children obviously raises the question of children's special susceptibilities and how far we need to go to protect them from possible manipulation. It also leads to the larger question of the nature and desirability of advertising's role in today's media-dominated society, which is our next topic

9.8 Marketing Ethics

There are many definitions of ethics and there are many viewpoints of what constitutes ethical behavior. In an organizational framework, it is reasonable to define ethics as a discipline of standards and practical judgement and questions relative to those standards.

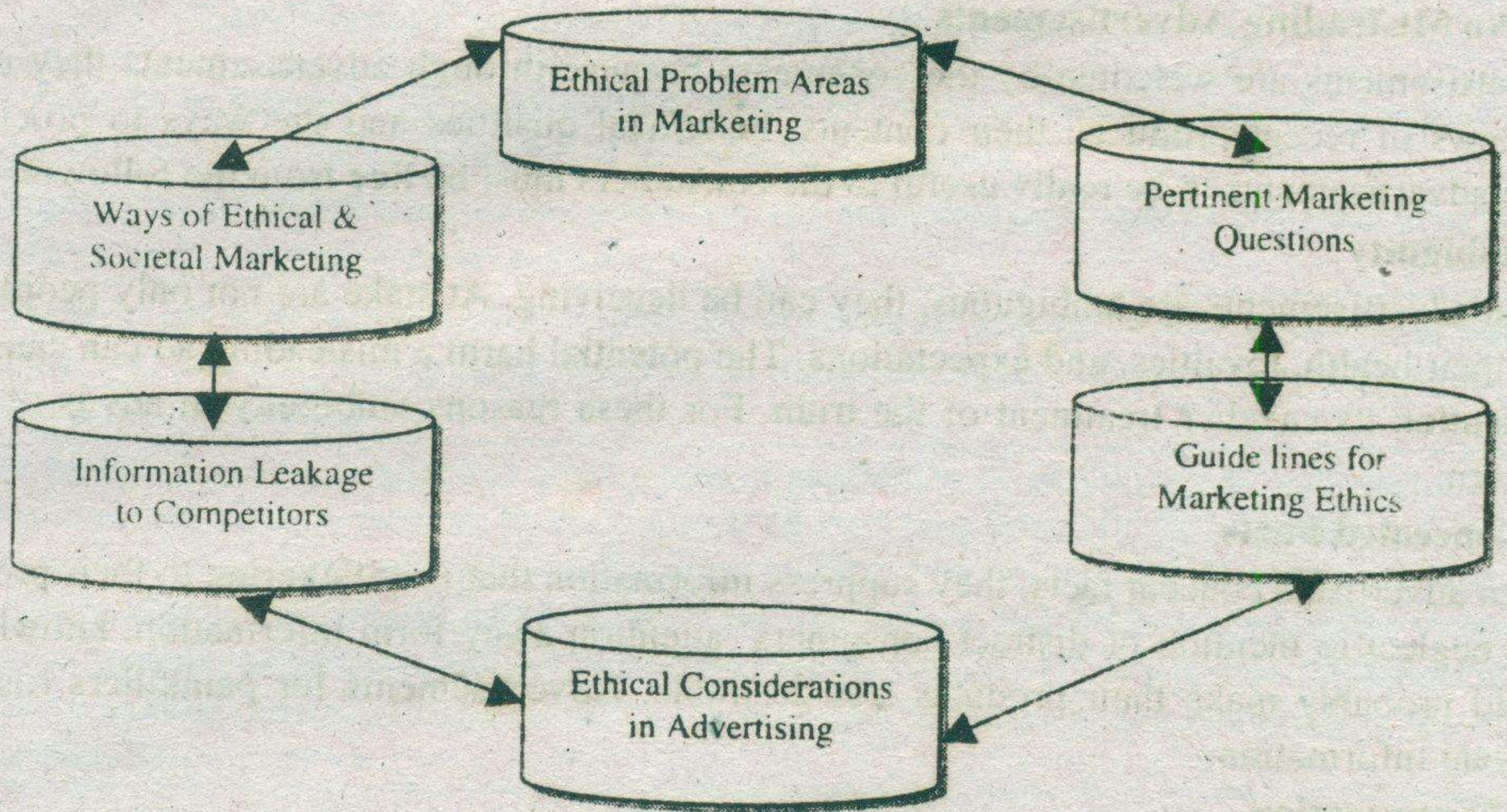


Figure-9.C: Showing Marketing Ethics

A. Ways of Ethical & Societal Marketing

Marketing be societal should perform in the ways:

- ▶ Raising quality of life of the society;
- ▶ Maintaining balance of demand with adequate supply, and
- ▶ Preserving healthy market with adequate number of competitors.
- ▶ Providing products that consumers need & want;
- ▶ Offering products at prices that consumers find acceptable;
- ▶ Placing products where consumers want them, when they are wanted;
- ▶ Informing consumers about products, prices & places;
- ▶ Offering employment to members of the society in large number;

Marketers face a variety of ethical problems. While relate to marketing research, product strategy, distribution strategy, and pricing.

B. Ethical Problem Areas in Marketing

Marketing research has been criticized because of its alleged invasion of personal privacy. People today seek individual identities more than ever before. The importance of personal privacy to most consumers has made it a public issue. Despite consumer concerns about privacy, many companies continue to expand their use of databases as a marketing tool.

[a] High pressure selling	[f] Creation of false demands
[b] Selling shoddy or unsafe products	[g] Planned obsolescence
[c] Deceptive pricing practices	[h] Cultural pollution
[d] Poor service to disadvantaged consumers	[i] Unfair competition
[e] Too few social goods	[j] Deceptive advertising

C. Pertinent Marketing Questions

Pricing is probably the most regulated aspect of a firm's marketing strategy. As a result, most unethical price behavior is also illegal. Some gray areas remain, however, in pricing ethics. For example, should

some customers pay more for merchandise if distribution costs are higher in their areas? Do marketers have an obligation to warn customers of impending price, discount, or return policy changes? A professional ethic for marketing must answer all of these queries.

This general discussion of ethical view points is not intended to provide the reader with solutions. If anything, the objective is to raise questions which must be faced by marketers. Perhaps if the reader understands the questions, then the problem is well on its way to being resolved. With this in mind, a few key questions that all marketing managers have to face are listed below:

1. Should ethical criteria be established for salespeople and then pressure exerted to tempt salespeople to violate these standards?
2. Should the company's ethical standards for its product be no higher than the law requires even through this legal minimum does not eliminate all the known dangers connected with product use?
3. What are the goals of the marketing program and do they conflict with the goals of society?
4. What is the morality of a product strategy such as planned obsolescence?
5. What is the morality of using deceptive advertising techniques to manipulate consumer groups such as children or the uneducated poor?

D. Leakage of Information to Competitors

Business culture also affects the ethics of competition. Two forms of ethical competitive behavior are:

- i. **Industrial espionage** - Industrial espionage is the clandestine collection of trade secrets or proprietary information about a company's competitors.
- ii. **Bribery** - Bribery in international marketing prompted the passage of the Foreign Practices Act. This act makes it a crime for U.S. Corporations to bribe officials of a foreign government to obtain or retain business in a foreign country.

E. Ethical Considerations in Advertising

Advertising provides information to large numbers of people. A product might be advertised through a direct-mail campaign or through use of media - newspapers, magazines, TV. Advertising, therefore, is part of the process of selling one's products. A major function of advertising is to sell goods. But this is not its only purpose, nor does it accomplish this only by supplying information. Advertising may educate the public or mold public opinion. If what an advertisement says is true, it is morally permissible; if what it says is false, it is immoral. We shall initially approach advertising in this way. In doing so, we shall see the shortcomings of this approach. A misleading ad is one in which the ad does not misrepresent or make false claims but makes claims in such a way that the normal person, or at least many ordinary people, reading it quickly and without great attention and thought, will make a false inference or draw a false conclusion.

We can now consider advertising from the point of view of business ethics. Advertising is by its nature so complex that its ethical problems should be considered from various points of view. In the first place, it is conducted by both small and large companies, by advertising agencies, by advertising departments, by media of all kinds, by individuals, and with a hierarchy of sales organizations acting in complicated business relationships. These firms have office staffs, executives, contractual relations with other groups, and responsibilities toward these as well as toward the owners and the stockholders. Some questions raised by the issue of truth in advertising are what actually constitutes lying and misrepresentation, and what guidelines can be presented for ethically proper advertising?

- a. No one who works in advertising should have to make claims about products or services which aren't true.
- b. No unsafe product should be advertised as safe.

- c. Businesses should not make claims about their products exaggerated.
- d. They should not make false claims about medical endorsement of their products or services.
- e. All claims and guarantees should be supported by evidence which is readily available to the public.

Some of the initiative to secure cooperation had to come from legislation, but advertisers are beginning to recognize more and more the value of much of the legislation and to accept its protection. Advertisers are guided by a code of business conduct or ethics that has evolved over hundred of year. Some of such ethical may be seen:

1. Advertising cultivates the tastes of consumers, it does not create them.
2. It is not unethical for an advertiser to stress the advantages of a product without pointing out how some other product may have certain advantages.
3. It is unethical, however, for an advertiser to communicate what are untrue statements.
4. Individuals may not have the same ethical code for all of their various activities.
5. Ethics of advertising are complex and must be considered from various points of view.
6. Social waste in advertising does not lend itself to a yardstick of easy measurement.
7. Advertising is not the only possible economic alternative to use in order to appeal to consumers, but some form of it appears to be a practical economic means to use in an advance society in the present era.
8. Much of the criticism of advertising comes from persons who favor control of production and consumption. Since such control attempts to regulate consumption, the importance of advertising under such controls would tend to decrease.

F. Guidelines for Marketing Ethics

Conscientious marketing face from many moral dilemmas. Companies need to develop corporate marketing ethics policies—broad guidelines that everyone in the organization must follow. However, the finest guidelines cannot resolve that all the difficult ethical situation a marketer faces.

In allocating responsibility for introducing marketing ethics we may identify five groups: (1) the producer or manufacturer, (2) the advertising agency, (3) the media in which or through which the advertisement appears, (4) the general public, and (5) government and governmental agencies.

Each company and marketing manager must work out a philosophy of socially-responsible and ethical behavior. Given the challenges of the next century, companies that are able to create new values in a socially responsible way will have a world to conquer.

1. **Advertising Standards** – When considered in light of increasing activism among consumer groups to regulate advertising marketers have a unique opportunity to proactively address the needs for strong advertising ethical standards. While protecting free speech, marketers could adopt a statement on ethics in advertising that promotes accurate information exchange and encourages creative message generation.
2. **Customer Service** – How to respond to customers and how to treat them while responding says a lot about a company. Customer ethics might be posted or mailed to customers to encourage all employees to live up to a standard known to the customers before the sale.
3. **Pricing** – Ethics can influence strategic decisions on such pricing decisions as market penetration versus market skimming.
4. **Product Development**- Product development may be influenced by ethical codes seeing more desirable products or changes is salutary to make them more desirable.

5. **Distributor Relations** – A comprehensive implementation of marketing ethics should include policies and guidelines for defining the companies relationship with distributors.
6. **General Code of Ethics**- Corporate marketing policies can provide broad guidelines that everyone in the employees to live up to a standard known to the customer before the sale.

9.9 Buyer-Seller Behavior in Islam

Islam has encouraged business and more so raising agriculture & manufacturing in a way beneficial to both the buyers of goods and services as also those who act on the other side as sellers or distributors. Islamic guidelines are provided in the light of Shariah as provided by Quran and Hadiths, some of the hints are presented:

Guidelines of Buyer- Seller Behavior in the light of Islam

Quranic Guidelines

1. The ask you concerning wine ad gambling. Say, 'In them is great sin, and some profit for men; buy the sin is greater than the profit.' [Quran 2:219]
2. O mankind! Lo! We have created you male and female, and have made you nations and tribes, that you may know one another. (Quran 49:13)
3. Give just measure, and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men, [...] Quran 26:181-183
4. Those who devour usury will not stand except as stands one whom The Evil One by his touch has driven to madness. That is because they say: "Trade is like usury," but Allah has permitted trade and forbidden usury. [Quran 2:275]
5. O you who believe! Eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will: nor kill (or destroy) yourselves: for verily Allah has been to you Most Merciful. [Quran 4:29]
6. Woe to those that deal in fraud those who when they have to receive by measure from men exact full measure. But when they have to give by measure or weight to men give less than due. Do they not think that they will be called to account? [Quran 83:1-4]
7. Give full measure when you measure and weigh with a balance that is straight: that is the most fitting and the most advantageous in the final determination. [Quran 17:35]
8. If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if you remit it by way of charity, that is best for you if you only knew. [141 Qur'an 2:280.]

Guidelines given by Hadiths

1. "Somebody said to [the Prophet], "Why do you so frequently seek refuge with Allah from being in debt?" The Prophet [SM] replied, "A person in debt tells lies whenever he speaks, and breaks promises whenever he makes (them)." - Sahih al Bukhari
2. Allah's Messenger (SM) was asked what type of earning was best and replied, "A man's work with his hand and every business transaction which is approved." - Miskat al Masabih
3. Allah and His Apostle made illegal the trade of alcohol, dead animals, pigs and idols. - Sahih al Bukhari
4. The Messenger of Allah, may Allah bless him and grant him peace, forbade selling fruit until it had started to ripen. He forbade the transaction to both buyer and seller. - Al Muwatta.
5. "In the time of Marwan ibn al Hakam, receipts were given to people for the produce of the market at al Jar. People bought and sold the receipts among themselves before they took delivery of the goods. Zayd ibn Thabit and one of the Companions of the Messenger of Allah, may Allah bless him and grant him peace, went to Marwan ibn al Hakam and said, "Marwan! Do you make usury halal?" He said, "I seek refuge with Allah! What is that?" He said, "These receipts which people buy and sell before they take delivery of the goods." Marwan therefore sent a guard to follow them and to take them from people's hands and return them to their owners." al Muwatta

Guidelines given by Hadiths

6. Allah's Messenger [SM] said, "The townsman should not sell for a man from the desert; leave the people alone; Allah will give them provision from one another." Sahih Muslim
7. "He who hoards is a sinner." Sahih Muslim
8. "The Messenger of Allah (SM) happened to pass by a heap of eatables (corn). He thrust his hand in that (heap) and his fingers were moistened. He said to the owner of the heap of eatables (corn), "What is this?" "Messenger of Allah, these have been drenched by rainfall," He (the Prophet) remarked, "Why did you not place this (the drenched part of the heap) over other eatables so that the people could see it? He who deceives is not of me (is not my follower)." Sahih Muslim.
9. "The prophet (SM) said, "Both the buyer and the seller have the option of canceling or confirming the bargain unless they separate." Sahih al Bukhari
10. If a person purchase eggs, musk melons, cucumbers, walnuts, or the like, and after opening them discover them to be of bad quality; in that case, if they be altogether unfit for use, the purchaser is entitled to complete restitution of the price from the seller, as the sale is invalid, because of the subject of it not being in reality property." Al Hidayah
11. "I heard Allah's Messenger (SM) saying, "The swearing (by the seller) may persuade the buyer to purchase the goods but that will be deprived of Allah's blessing." Sahih Al Bukhari
12. "He who buys the stolen property, with the knowledge that it was stolen, shares in the sin and shame of stealing." Qaradawi
13. Allah's Messenger [SM] cursed the acceptor of interest and its payer, and one who records it, and the two witnesses; and he said, "They are all equal." Sahih Muslim
14. The Prophet [SM] said, "Before your time the angels received the soul of a man and asked him, "Did you do any good deeds (in your life)? He replied, "I used to order my employees to grant time to the rich person to pay his debts at his convenience and excuse (the one in hard circumstances)' So Allah said to the angels, 'Excuse him,'" Sahih al Bukhari
15. Procrastination (delay) in paying debts by a wealthy man is injustice. Sahih al Bukhari
16. The Merchants will be raised on the Day of Resurrection as evil-doers, except those who fear Allah, are honest and speak the truth. Miskat al Masabih
17. The Messenger of Allah, may Allah bless him and grant him peace, said, "There is no prophet who has not herded sheep," and someone asked, "You as well, Messenger of Allah? He said, "Myself as well." al Muwatta
18. Abd Allah ibn Ubayy ibn Salul to say to his slave girl: "Go and fetch something for us by committing prostitution," It was in this connection that Allah, the Exalted and Glorious, revealed this verse: "And compel not your slave-girls to prostitution when desire to keep to keep chaste in order to seek the frail goods of this world's life, and whoever compels them, then surely after their compulsion Allah is Forgiving, Merciful." - Sahih Muslim
19. A man came and said, "Apostle of Allah, fix prices." He said, "(No), but I shall pray." Again the man came and said, "Apostle of Allah, fix prices," He said, "It is but Allah Who makes the prices low and high. I hope that when I meet Allah, none of you has any claim on me for doing wrong regardign blood or property." [Abu Hurayrah, Abu Dawud, hadith no. 3443
20. "It is not lawful for a Muslim to sell such a commodity that has a defect, except that the defect is shown to the buyer." (Bukhari)

Islamic Guidelines :

- i. Buyers should expect to receive goods that are in working conditions and priced fairly;
- ii. They should also be notified of any deficiencies and defects contained in the goods under sale;
- iii. Incorrect weights and measures are prohibited and hence a punishable offence;
- iv. The Muslim businessman if himself dishonest should not demand honesty from others;
- v. Hoarding and price manipulation are restricted;
- vi. Adulterated or spoiled products should not be transacted;
- vii. Islamic moral code strictly views deceptive business practices. Islam prohibits any kind of fraudulent transaction whether during a purchase or a sale;
- viii. Umar Ibn al Khattab punished a man who was selling milk diluted with water;

- ix. Islam encourages Muslim businessmen to be forthright, and reveal any defects prior to a sale. In the case of perishables, the buyer is entitled to a full refund of the purchase price should the goods purchased prove unfit for use. If a person purchase eggs, musk melons, cucumbers, walnuts, or the like, and after opening them discover them to be of bad quality; in that case, if they be altogether unfit for use, the purchaser is entitled to complete restitution of the price from the seller, as the sale is invalid, because of the subject of it not being in reality property;
- x. Swearing through false oaths to support a sale tantamount to deception;
- xi. Muslim businessman must not knowingly purchase stolen property either for himself or for future resale;
- xii. Passage of time does not make a haram piece of property halal;
- xiii. Islam encourages businessmen to augment their capital through trade, it explicitly prohibits them from capital expansion through lending on interest. Interest [riba] is absolutely prohibited;
- xiv. Islam encourages debtors [sometimes buyers on credit] themselves not to procrastinate in repaying their debts [considerations for sale];
- xv. Islam encourages benevolence of extension of time, if any debtor [sometimes buyers on credit] is in financial trouble, Allah encourages kindness;
- xvi. Islam is against the idea of price controls. But the businessman needs to price fairly the essential commodities of daily use. Any businessman who refuses to sell his essential goods at fair prices, may be coerced by the state authorities through due process.

9.10 Steps to be taken for a Decent Consumer Society

If any of us is injured by a defective product, we can sue the manufacturer of that product. We take this legal fact for granted, but it wasn't always true. Contractual relationship is an important source of moral and legal responsibilities for the producer. It obligates business firms to provide customers with a product that lives up to the claims the firm makes about the product.

The doctrine of *strict product liability* holds that the manufacturer of a product has legal responsibilities to compensate the user of that product for injuries suffered because the product's defective condition made it unreasonably dangerous, even though the manufacturer has not been negligent in permitting that defect to occur. Strict liability, however, is not absolute liability, the manufacturer is not responsible for any injury whatsoever that might befall the consumer. The product must be defective, and the consumer always has the responsibility to exercise care.

Strict product liability is not without its critics, however. They contend that the doctrine is unfair. If a firm has exercised due care and taken reasonable precautions to avoid or eliminate foreseeable dangerous defects, they argue, then it should not be held liable for defects that are not its fault –that, are not its fault –is, for defects that happen despite its best efforts to guard against them. To hold the firm liable anyway seems unjust.

Increasing awareness of the consumers and rising complexity and sophistication in the process of products give rise to the need for mutual tolerance of each other of the consumer and the producer to make a better society. Following are some the suggestions to be examined the implementation of which will contribute to decent consumer society:

1. Rapid disclosure of the facts relating to the quantity, quality, and safety of a product is essential for a just marketplace.
2. If the government is to impose effective standards, it must also be able to conduct or contract for its own research on both the safety of industrial products and possible methods of improving them.

3. In the ideology of business, free competition and corporate "responsibility" are supposed to protect the consumer; in practice both have long been ignored.
4. Professional and technical societies may be sleeping giants where the protection of the consumer is concerned.
5. During the past two decades, the courts have been making important if little noticed ruling that give injured people fairer chances of recovering damages.
6. One of the more promising recent developments is the growing belief that new institutions are needed within the Government whose sole function would be to advocate consumer interests.
7. I have already pointed out the need for dependent organizations of professionals – engineers, lawyers, doctors, economists, scientists, and others – which could undertake work of this kind.
8. The practices of refunding prices to consumers who have been bilked and recalling defective products are finally becoming recognized as principles of deterrence and justice.
9. Disputes in courts and other judicial forms must be conducted under fair ground rules and with adequate representation for buyers.
10. The practices of setting government safety standards and periodically changing them to reflect new technology and uses is spreading, although it is still ineffective in many ways.

Future of consumerism

Consumerism is here to stay. Tomorrow's consumers will be better educated, more affluent, and more critical. They will probably be less concerned with status symbols and more anxious to get information about products. It is inevitable that the inherent dangers involved in large-scale production and distribution processes may result in defective products and misleading marketing strategies. Therefore, the authors recommend that:

1. More effective quality control procedures be established by manufacturers.
2. Improved communication methods be developed at all marketing levels.
3. Pricing strategy be set on a unit basis to allow the consumer to make more realistic comparisons.
4. Business organization support policies and programs aimed at giving consumers more information and protection.
5. Marketing and advertising strategies be reevaluated in order to mirror more effectively the evolving social and ethical norms of the younger generation.
6. Business make a greater effort to prognosticate the social problems of the consumers.
7. Finally, the credibility of business in the eyes of the consumers be reinforced.
8. Manufacturers take the initiative in setting standards for safety, service, and certification.
9. Better procedures be instituted whereby customer-seller-manufacturer complaints can be handled.
10. Warranties for products be simplified and the distribution link closest to the consumer be given greater autonomy in rendering the service on these warranties.

9.11 Summing Up

1. The complexity of today's economy and the dependence of consumers on business increase business's responsibility for product safety.
2. The legal liability of manufacturers for injuries caused by defective products has evolved over the years. Today the courts have moved to the doctrine of *strict liability*, which holds the manufacturers of a product responsible for injuries suffered as a result of defects in the product, regardless of whether the manufacturers was negligent.
3. Government agencies, such as the Consumer Product Safety Commission [CPSC], have broad powers to regulate product safety. Critics contend that these regulations are costly and that they prevent individuals from choosing to purchase a riskier but less expensive product. This argument touches on the controversy

over *legal paternalism*, the doctrine that the law may justifiably be used to restrict the freedom of individuals for their own good.

4. Although there are exceptions, regulations generally help ensure business meets its responsibilities to consumers. Businesspeople, however, tend to favor self-regulation and government deregulation.
5. To increase safety, companies need to give safety the priority necessitated by the product, abandon the misconception that accidents are solely the result of consumer misuse, monitor closely the manufacturing process, review the safety implications of their marketing and advertising strategies, provide consumers with full information about product performance, and investigate consumer complaints. Some successful companies already put a premium on safety.
6. Business also has other obligations to consumers. Product quality must live up to expressed and implied warranties; prices should be just; and business should refrain from manipulative pricing and the use of price fixing to avoid competition; and product labeling and packaging should provide clear, accurate, and adequate information.
7. Advertising tries to persuade people to buy products. Ambiguity, the concealment of relevant facts, exaggeration, and psychological appeals are among the morally dubious techniques that advertisers use.
8. In the USA, the Federal Trade Commission [FTC] protects the consumers from blatantly deceptive advertising.
9. Advertising to children is big business, but children are particularly susceptible to the blandishments of advertising. Critics also doubt the fairness of selling to parents by appealing to children.
10. Defenders of advertising view its imaginative, symbolic, and artistic content as answering human needs. Critics maintain that advertising manipulates those needs or even creates artificial ones. Excessive advertising as the dependency effect, leads us to favor private consumption at the expense of public goods.
11. Defenders of advertising see it as a necessary and desirable aspect of competition in a free-market system, a protected form of free speech, and a useful sponsor of the media, in particular television. Critics challenge all the three claims.

Model Questions

Broad Questions

1. How can you analyze the situation in marketing mission? – Explain.
2. 'Simply obeying laws and regulations does not exhaust the moral responsibilities of business' – Explain with reference to responsibilities of business.
3. How can legal provisions and enforcement's be used to look after consumer interests?
4. Explain the rationales behind emergence of consumerism.
5. Describe the fields of interests and scope of consumerism.
6. Narrate the major rights of consumers. How ethics is involved in advertising? – Explain.
7. How can you explain buyer-seller behavior in the light of Islam.
8. What is your suggestions regarding establishment of decent consumers society?
9. How can you ensure future of consumerism? – Explain.
10. Does a seller have the right to emphasize the weaknesses about the products of competitors? Is any restraint required by business ethics?
11. What is consumerism, and why is it important in many business decisions? Do you feel the consumer movement has been good for consumers? Explain.
12. What do you feel is the responsibility of business firms to their customers? Should the guidelines be "buyer beware" or "Seller beware" or something in between?

13. How far should government go in controlling business on the interest of protecting the customer? Is this a proper function of government and would private agencies or consumer testing groups be better subject to this task? Why or why not?

Short Questions

2. Why interdependency of buyers and sellers is important?
3. What are the objectives of a successful marketing mission?
4. Stage the position of buyers compared to sellers.
5. How seller enjoy some rights as a market power?
6. What are the additional consumers expectation from business?
7. 'Marketing managers apply their own ethical principles or rules to each particular situation' – Explain briefly.
8. State the important dimensions of ethics.
9. How capitalistic system is different from principle of competition.
10. Briefly describe the legal liability of Manufacturers.

Chapter : 10

Environmental Ethics

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| 10.1 Ecology and the Four Laws | 10.9 Government as Motivators to Reduce Pollution |
| 10.2 Ecological Cycle | 10.10 Ethics and Technology |
| 10.3 Ethics and Ecology | 10.11 The Sustainable Development Framework |
| 10.4 Types & Sources of Pollution | 10.12 Environment for the Future Generations |
| 10.5 Attitudes of Business Towards Environment | 10.13 Islamic Emphasis on the Protection of Natural Environment |
| 10.6 Major Areas of Environmental Pollution | 10.14 Summing Up |
| 10.7 Business and Environment | |
| 10.8 The Costs of Pollution Control | |

Ecology refers to the science of the interrelationships among organisms and their environments. It is the branch of natural science which is devoted to the study of the relationship between living things and their environments. The word ecology is derived from the Greek word *oikos* [house] and *logos* [knowledge], which means management of the household. Ecology is also known as the science of ecosystems, which is the study of biotic [living organism] communities with their nonliving environments. The operative term is "interrelationships," implying that an interdependence exists among all entities in the environment. In particular, we must not forget that human beings are part of nature and thus intricately connected with and interrelated to the natural environment.

The first law of ecology is that everything is related to everything else: all organisms-man, beast, and bacteria-and each of their environments-earth, air, and water-are parts of one great ecological system. Within this system, each element occupies one of four basic positions. These are:

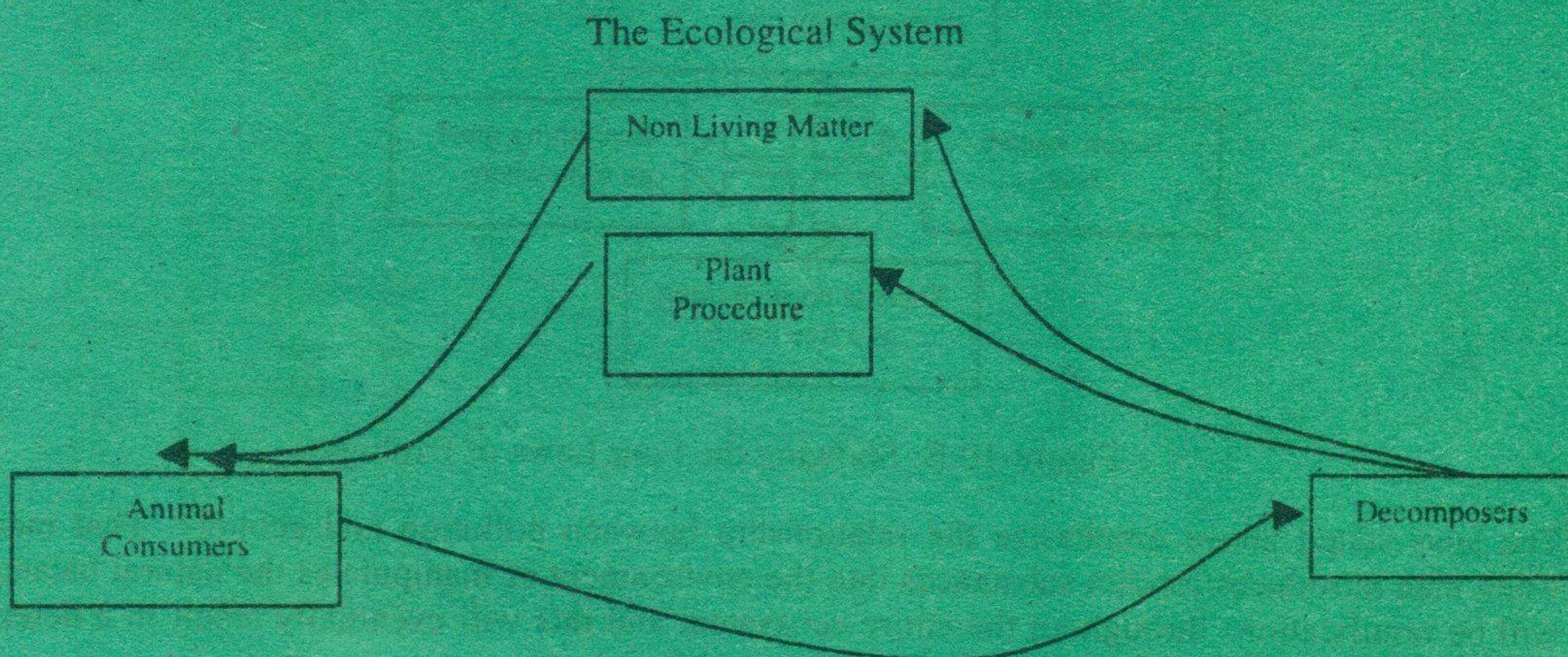


Figure – 10.A: Showing Ecological System

1. Nonliving matter – sunlight, water, oxygen, carbon dioxide- and nutrients- such as phosphates and nitrates-used by plants for their growth.
2. “Plant procedures,” ranging in size from microscopic phytoplankton in water to the giant redwood convert nonliving matter into food through photosynthesis.
3. Animal “consumers” range in size from bacteria through cattle, sheep, and man, which feed on plants and other animals.
4. “Decomposers” are bacteria, fungi, and soil organisms which close the circle when they break down the dead producers and consumers and return their chemical compounds to the ecological system for reuse by the plants.

Much of what we do to reduce, eliminate, or avoid pollution and the depletion of scarce natural resources is in our collective self-interest. We need to view the environment fervently if we are to improve our quality of life and even to continue to exist. And it has just stressed how the failure of an individual or business to play its part is unfair. Some moral theorists, like William, T. Blackstone, have gone further to argue that each of us has a human right to a livable environment.

The injunction “Do no harm” is widely accepted as a prima facie second-order moral obligation binding on both individuals and corporations. It is sometimes called the “moral minimum” that corporations must meet. The principle that precludes harming others is the central principle governing the obligations of corporations both with respect to environmental protection and with respect to product safety.

The two moral & political issues are: **First** is the question of how the continued availability of resources is to be secured. **Second** is the question of whether any nation has a right to consume the world’s irreplaceable resources at a rate so grossly out of proportion to the size of its population. Of course, we pay to consume resources like oil that other nations own, but in the view of many the fact that other nations acquiesce in our disproportionate consumption of resources does not resolve the moral problem of our doing so.

10.1 Ecology and the Four Laws

Barry Commoner sums up the basic tenets of ecology in four “laws”:

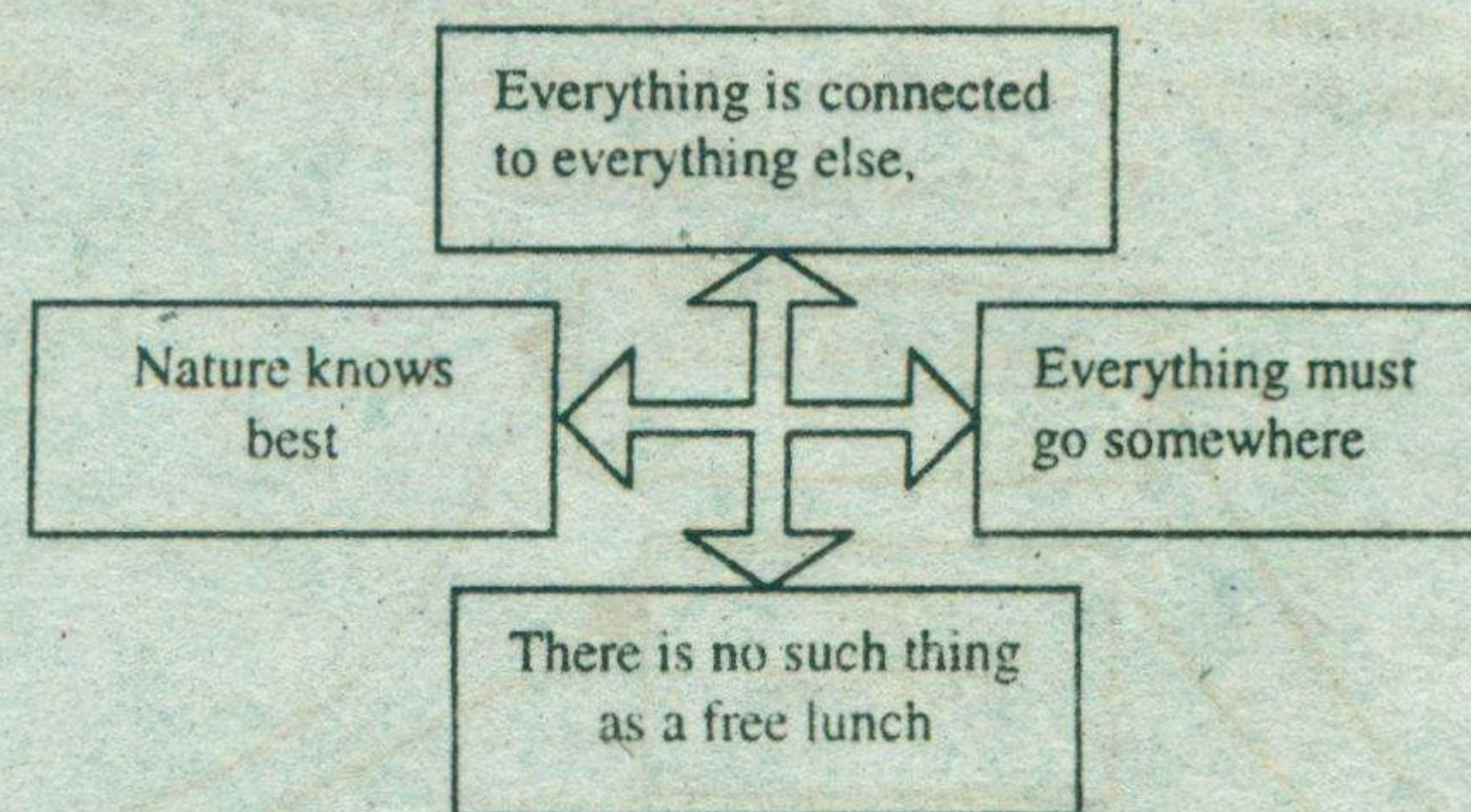


Figure-10.B: Showing the Four Laws of Ecology

The laws stated above emphasize the relationship between pollution and ecology. That means that when man introduces foreign substances into the environment or manipulates the natural balance, there will be ramifications throughout the entire ecosystem and this will eventually result in a deterioration of the “quality of man’s life” on this planet.

Ecology & environmental quality are of interest to all living beings in general and the human race in particular. There is a little doubt that mankind is facing an ecological crisis of various proportions around the world. Trivoli G W defined pollution as, "Pollution occurs when any biological, chemical, or physical factor is present in the environment for a sufficient time and concentration that either renders it injurious to humans, animal or plant life, or creates conditions affecting the comfort, well-being or safety of the citizenry".

10.2 Production and Consumption in the Ecological Cycle

Expanding the basic ecological cycle in the previous figure to show the place of production in the next figure and consumption in the system will aid in defining pollution. The inputs to the system, as we have seen, are living matter dependent on the products of photosynthesis and nonliving matter such as minerals. Production includes two activities: the production of energy and the production of goods. The output of energy conversion may be power for transportation, industry, or commercial and household consumption. Produced by the release of energy is waste such as smoke, ashes, radioactive minerals, and heat.

Processing materials uses up energy and living and nonliving matter to produce goods such as inorganic chemical products, primary metal products, and household goods, stage, particulars, inorganic and organic wastes, refuse, heat, and noise are waste products given off in this process.

The output of the production process, energy and goods, becomes in turns the input to the consumption process. "Final" consumption, whether commercial or not, results in disposal. The output is either recycled naturally through decomposition or recycled directly back into some other point in the ecological system.

Simplified Ecological Process – the production system

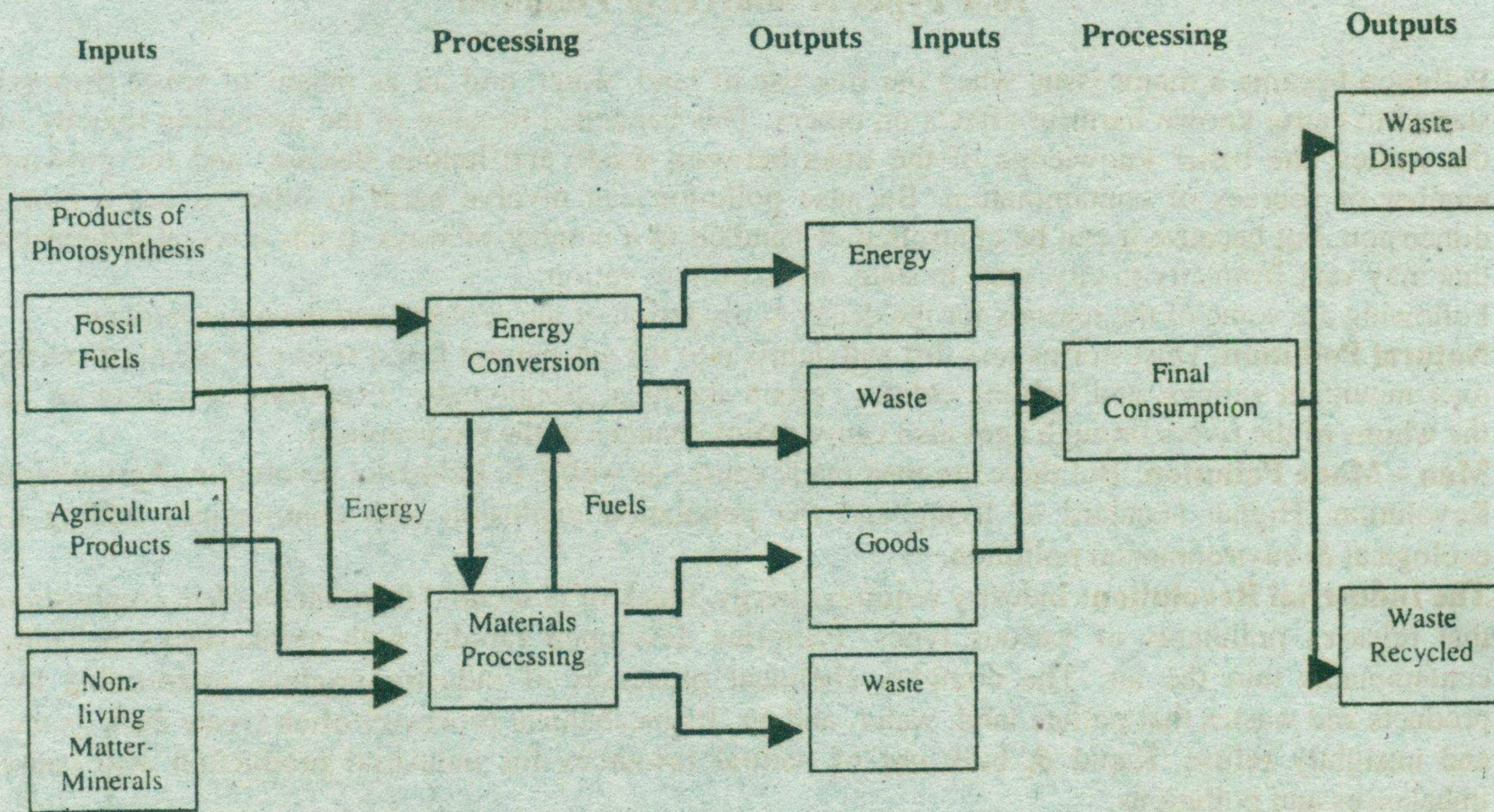


Figure-10.C: Showing Simplified Ecological Process – the production system

10.3 Ethics and Ecology

Traditionally, we have not looked upon the right to a decent environment as a human right or as an inalienable right. Rather, inalienable or natural rights have been conceived in somewhat different terms; equality, liberty, happiness, life and property. The whole point of the state is to restrict unlicensed freedom and to provide the conditions for equality of right for all. Thus, it seems to be perfectly consistent to the rational view that restricting certain rights or freedoms when it can be shown that such restriction is necessary to ensure the equal rights of others. If this is so, it has very important implications for the rights to freedom and property.

In the case of abuse and waste of environmental resources, less individual freedom and fewer individual rights for the sake of greater public welfare in equality of rights and seem justify. Both public welfare and equality of rights now require that natural resources not be used simply according to the whim and caprice of individuals or simply for personal profit. This is not to say that all property rights must be denied and that the state must own all productive property. It is to insist that those rights be qualified or restricted in the light of new ecological data and in the interest of the freedom, rights and welfare of all.

Given the crisis of our environment, there must be certain fundamental changes in the attitudes towards nature, man's use of nature, and man himself. Such changes in attitudes undoubtedly will have far reaching implications for the institutions of private property and private enterprise and the values embodied in these institutions. Given that crisis we can no longer look upon what are and air as free commodities to be exploited -at-will. Nor can the private ownership of land be seen as a leads to use that lands in any way which conforms merely to the personal desires of the owner.

10.4 Types & Sources of Pollution

Pollution became a major issue when the free use of land, water, and air as means of waste disposal started to cause known harmful effects on others. This happened because of the increasing toxicity of the wastes, the better knowledge of the links between waste and human disease, and the growing number of sources of contamination. Because pollution can involve harm to other, it has a moral dimension, but because it can be controlled or handled in a number of ways, it has a social dimension that may vary from city to city, state to state, and nation to nation.

Following are some of the reasons for the decay & distortion of the ecology and the environment:

Natural Pollution: Dust storms toss dirt and debris into the air, natural forest fires cast a pall of smoke over mountain valleys, and lightning creates certain chemical compounds. Eruptions of volcanoes & the whims of the rivers through ages also cause major changes in the environment.

Man - Made Pollution: But there are man made causes as well i. e. Industrial revolution, Agricultural Revolution, Higher standard of living and the population explosion also continuously adding to ecological & environmental pollution.

The Industrial Revolution: Industry requires energy, much of is secured from incomplete combustion that releases pollutants of various types. Factories developed rapidly with smokestacks belching contaminants into the air. The complex chemical processes of industry produce undesirable by-products and wastes that pollute land, water, and air. Its mechanical processes often create dust, grime, and unsightly refuse. Rapid & bulk use of natural resources for industrial production also cause imbalances and pollutions.

Agricultural Revolution: The attempts to bring larger acreage of forest land under cultivation besides use of increasingly higher doses of chemicals as fertilizer or insecticides have been seriously polluting both the land and the sea.

Higher standard of living: Mass production through industries with newer dimensions of competition made people consume more than usual that tends to create increasing volume of waste. The left- outs of foods, packing materials, outdated dresses & automobiles, etc increasingly adding to more and more garbage and other refuse.

The population explosion based pollution: The ultimate time bomb in pollution is a speedup in population growth. Every additional person adds pollutants to land, air and water, although the amount of these vital natural resources remains the same. The result is more intensive pollution of these existing resources, unless mankind takes steps to reduce pollution.

Pollution has become a major issue in the world in recent years because of our past inattention to the pollutants being released into the environment. Barry Commoner has gone even farther to argue that the major culprit is not population growth but rather our increasingly sophisticated technologies. For example, the change from natural fibers to synthetic fibers in the textile industry has resulted in a much higher level of pollution.

In its role as the major instrument of production in our society, business must intrude into ecosystem. They not all intrusions or all kinds of intrusions are justifiable. In fact, precisely because of the interrelated nature of ecosystems and because intrusions generally produce serious unfavorable effects, business must scrupulously avoid actions, practices, and policies that have an undue impact on the environment.

10.5 Attitudes of Business Towards Environment

Several related attitudes, prevalent in our society in general and in business in particular, have led to or increased our environmental problems. One of these is the tendency to view the natural world as a "free and unlimited good"-that is, as something we can exploit, even spender, without regard to the future. Writer John Steinbeck once reflected on this attitude:

Traditionally, business has considered the environment to be a free, virtually limitless good. In other words, air, water, land, and other natural resources from coal to beavers (trapped almost to extinction for their pelts in the nineteenth century) were seen as available for business to use as fit saw fit. In sum, then, spillovers or externalities, pursuit of private interest at the expense of the commons, and a view of the environment as a free good that can be consumed without limit have combined with an ignorance of ecology and of the often fragile interconnections and interdependencies of the natural world to create the serious environmental problems facing us today.

10.6 Major Areas of Environmental Pollution

It refers to the harming of normal environment distorting the various elements in the process of industrialization, urbanization and over harnessing of natural resources including through agriculture. The elements of environmental pollution include the following:

Air Pollution

Air Pollution is the process of contaminating clean/fresh air. A wide range of industries produce air pollution i.e. steel, chemical, petroleum, paper, coke, copper smelting, electric generating, cement and air transportation industries. Massive deforestation either to increase cultivable land or to increase supply of industrial raw materials besides large scale wild fires also cause air pollution. The major air pollutants are: oxides of sulfur, particulates [solids: dust, smoke, or soot as well as liquids: mists & sprays], carbon monoxide, hydrocarbons and oxides of nitrogen]. Some other substances of air pollutants are asbestos, beryllium, cadmium, mercury, and lead.

Particulate matter in the air is more harmful to humans than most gaseous pollution. Coal burning industries are major contributors to particulate pollution. Air pollution is harmful to people because it contributes to paralyzing

the normal brain functions, irritation of eyes & respiratory organs, lung cancer, emphysema, and heart trouble. In addition, it damages clothing, various types of structures, and plant life to some degree. Corrosion of metals and injury to vegetation are also caused by air pollution.

Air pollution is taken care of in the USA by Clean Air Act [1970]. The Act provides to set nationwide air quality standards for ten major pollutants. Violators are subject to fines or liable to imprisonment as well. New factories are required to use the latest pollution control technology. Automobile emissions are controlled by the Clean Air Act requiring manufactures to reduce exhaust emissions for hydrocarbons, carbon monoxide, and nitrogen oxides. The methods of eliminating air pollution by industry are all expensive and time-consuming to install. Most industrial plants are reducing their air pollution with filters, after-burners, gas washing devices, and electrostatic precipitators. Electrostatic precipitators are usually the most expensive and effective method and are rapidly becoming the most common method used by the industry.

Air Pollution in Dhaka

Tucked away quietly at the country's heartland, Dhaka, our Capital, was once surrounded by rivers and canals on one side and lush green paddy fields on the other. There was greenery all over in the little quiet town that it was. Its streets and roads were decked with trees of all conceivable species; and it was in particular famous for those flame-trees or the *krishnachura*. But it is not the same anymore. Today, it's a different Dhaka that conjures up a nightmarish image of urban disaster.

The city has now become famous for all kinds of urban ills. As the city kept expanding both horizontally and vertically, particularly since it became the capital of independent Bangladesh, those urban problems started to set in. With the city's population swelling day by day, Dhaka started to shed all its natural bounties like the greenery, the trees and fresh air. The biggest fallout of this sudden expansion of the metropolis and the galloping rise in population resulted in a forceful overpowering of the city's natural resources, particularly the air.

Today, the air over Dhaka is one of the most polluted in the world. By mid-day the sky over the city is overcast with a thick layer of deadly black smoke directly affecting the health of its residents as well as its national environment – whatever of that is left.

Air pollution in the metropolis has taken a grave turn with the increase of motorised vehicular traffic. Automobile exhausts together with industrial fumes and dust from the city's dilapidated roads have virtually turned the air into poison. A recent World Bank study suggested that air pollution into the city causes at least 15,000 premature deaths and sickness to several million others every year.

Another recent monitoring of the quality of Dhaka's air showed the existence of a very high concentration of suspended particles as well as such hazardous elements like *sulphur dioxide* and *nitrous oxide*. Worst of all, lead pollution has become very alarming; one of the surveys revealed that the concentration of lead in the blood of Dhaka citizens is higher than the tolerable limit of eight parts per million (ppm). The authorities have so far done nothing tangible in halting the unabated pollution of Dhaka's air.



Figure- 10.D: Showing Water Pollution

Water Pollution is the process of contaminating clean/fresh water is known as water pollution. This is caused mainly by agriculture run off, storm sewer run off, municipal sewerage and discharge of industrial waste. Some of the major water polluters are the paper, chemical, aluminum, steel, textile, metal plating, ore smelting, strip mining, and oil drilling industries.

The major pollutants are [I] organic waste, [ii] inorganic chemicals, [iii] phosphates, [iv] thermal emissions, [v] oil spills, and [vi] ocean dumping.

[I] **Organic Waste:** When waterways become overloaded with organic matter, oxygen levels fall or become completely depleted.

[ii] **Inorganic Chemicals:** Mercury, cadmium, and lead emissions are some of such pollution agents

[iii] **Phosphates:** Make hard water—not decomposed or removed.

[iv] **Thermal Emissions:** Heated water/ streams tend to lose the ability to absorb and return oxygen.

[v] **Oil Spills:** The oil spills make beaches unusable for swimming and sunbathing besides being killer agent of small sea birds & fishes.

ঢাকা শহরের বিষাক্ত পানি

ঢাকার ক্যান্সার ও ধোঁয়ার প্রতিক্রিয়ায় নষ্ট হচ্ছে তৈজসপত্র, সোনার অলংকার, ঘরের দেয়াল, কাঁচের জানালা, ছিদ্র হচ্ছে টিন। এসব মৌলিক সমস্যার পাশাপাশি যে স্থায়ী সমস্যা সৃষ্টি হচ্ছে তাহলে ক্যান্সার মিশ্রিত লাখ লাখ লিটার পানি প্রতিদিন ড্রেন দিয়ে গড়িয়ে পড়েছে বুড়িগঙ্গায় ও কামরাঙ্গীর চর এলাকার খালে-বিলে। সংশ্লিষ্ট এলাকার মাছ মরে যাচ্ছে, বিভিন্ন ধরনের রোগ হচ্ছে মাছের দেহে। এসব মাছ বাজারে এলে মানুষ না জেনেই ক্রয় করছে, খেয়ে অনেকের অসুখ হচ্ছে।

[vi] **Ocean Dumping:** Includes dredge spoils, industrial wastes, sewage sludge, etc which seriously cause harms to atmospheric balance of oxygen and carbon dioxide.

Water pollution causes damage to fish, humans, wild life, recreation, other industries, and aquatic plants. Dumped substances kill larger number of fishes, change water temperature and make chemical reactions resulting in reducing rate of fishes & other plants and animals that grow in sea or river water. These chemicals can produce brain & central nervous system damage in human bodies. Researchers identified evidences of low memory, blindness, deafness, cancer, cirrhosis of the liver besides human reproduction problems, etc partially caused by use of contaminated and chemicalised water.

In the U S A water pollution is controlled by the Federal Refuse Act [1889].

The law requires violators fines and permissions from city engineers for new connections. Federal Water Pollution Control Act [1972] calls for permission for any discharge connections to be had. The requires most advanced "best Available" waste control system be the standard for all plants in an industry. The Act also calls for "zero discharge" of pollutants since 1985. But this is desirable & Feasible requiring high costs. A major purpose of the zero discharge goal is to encourage firms to move to closed-loop water control systems which recycle waste water. In a closed-loop system firms are required to treat their water only to the extent necessary for their own production processes.

Once pollution is reduced, waterways tend to renew themselves through natural processes. Elimination of water pollution is not always as easy a task as it might first appear to be. It will require the efforts and knowledge of many people to achieve the desired water quality for all time.

Solid Waste Disposal Pollution

Solid Waste Disposal Pollution is the pollution of space through dumping industrial as well as urbanization trash. Examples of such solid waste are glass products, plastic products, and aluminum product, etc. The most spectacular wastes are from nuclear energy plants. But they make up only a small portion of hazardous chemical wastes from normal processes in the manufacture of chrome and other metal plating for autos and appliances, insecticides, and other products. It is no small problem: New York State generates more than 1,00,000 tons a year [1980s]. Even the prescribed treatment plants for many pollutants end up with a noxious wastes that must be disposed of. The problem is where to put it. Although the largest portion of this waste is produced by households, business is also involved in the problem in two ways:

[A] industry produces a significant amount of solid waste and the traditional way to dispose of it is through incineration of the combustible materials and open dumping. [B] another way that industry is involved in the solid waste problem is through the products it produces[especially packages] i.e., automobile graveyards, beer & soft drinks cans, plastic packets, etc .

অপরিচ্ছন্ন ঢাকা নগরী

জানা যায়, ঢাকা মহানগরীতে পরিষ্কার-পরিচ্ছন্নতা রাখতে প্রতি দুই হাজার নগরবাসীর সিটি কর্পোরেশনের জন্য গড়ে একজন ক্লিনার নিয়োজিত রেখেছে। দীর্ঘদিন ধরে ক্লিনার পদে-নিয়োগ বন্ধ, বয়সজনিত কারণে অবসর গ্রহণ, ক্লিনার পদে প্রকৃত পেশাদার মানুষের তীব্র সংকট। সর্বোপরি, দক্ষ ব্যবস্থাপনার অভাবের কারণেই পরিষ্কার-পরিচ্ছন্ন কার্যক্রম মুখ খুবড়ে পড়ছে। খবরে জানা যায়, বর্তমানে প্রায় এক কোটি জনসংখ্যা অধুষিত মহানগরীর পরিচ্ছন্নতার কাজে প্রয়োজনের তুলনায় কম জনবল এবং আনুমানিক যন্ত্রপাতির প্রকট অভাব রয়েছে। এসব স্বল্পতার কারণে মহানগরীর পরিচ্ছন্নত কার্যক্রম চালিয়ে যাওয়া আর সম্ভব নয়। খবরে বলা হয়, তিনশ' চুয়াল্লিশ কিলোমিটার আয়তন বিশিষ্ট ঢাকা রয়েছে মাত্র ৫ ক্লিনার। পাশাপাশি একুশ শত সাতাশ কিলোমিটার আয়তনের পার্শ্ববর্তী কলকাতা নগর পঞ্চাশ লক্ষ মানুষের জন্য রয়েছে প্রায় তেরো হাজার ক্লিনার। একইভাবে ক্লিনারের পাশাপাশি আনুমানিক যন্ত্রপাতির হিসেবেও রয়েছে আকাশ-পাতাল পার্থক্য।

তীব্র ক্লিনার সংকটের কারণে মহানগরীর পরিষ্কার-পরিচ্ছন্নতা কার্যক্রম মুখ খুবড়ে পড়ছে। উপরন্তু জনসংখ্যা বহুল প্রবোনো ঢাকার সুয়াজেজ লাইনে জলাবদ্ধতা চরম আকার ধারণ করায় জনজীবনে দুর্ভোগ নেমে এসেছে।

Dhaka is generating about 3500 tons of solid waste per day of which only 42 per cent is collected daily and the rest of it rots on the roads, by-lanes, drains and the neighborhoods. They way the citizens throw their solid waste on the road islands and green belts in the residential area including the so-called posh areas where upper-in-come groups live is really shameful and shows our mentality regarding community hygiene and cleanliness. We cannot think beyond our own home and personal interests, and have so far failed to make Dhaka clean and habitable. As the majority of the people are Muslims and according to our religion cleanliness is part our *iman* (Faith), then what is wrong? One should think twice before throwing wastes. The City Corporation and the national government must enact necessary laws specifically for waste management similar to those applied in Indian Cities and apply them along with awareness campaign. Otherwise we are heading towards another Surat in Dhaka, as the solid waste generation of Dhaka city is increasing proportionately with the growth of its population which is six per cent per annum while the solid waste management capacity of the city corporation is lagging behind and the gap is widening every day. All these are making the environmental scenario of the our megalopolis quite gloomy and dismal in the coming years.

The US government controls solid wastes through the Solid Waste Act. Land fills for trash are more desirable than burning but they are not the best solution since they often pollute underground water through seepage. One of the more radical proposals for disposing of garbage is to compact it into blocks, seal it in plastic, and build man-made mountains to be covered with dirt. Several cities in the west have built plants to convert garbage into methane gas which is then used as a fuel. Because of the energy crisis and high price of oil and natural gas, this practice promises to become more widespread in the future. Biodegradation of some of the wastes even if possible, recycling those for reuse is considered beneficial. Some other merits of recycling practices include: [i] waste volume reduction, [ii] conserves natural resources and thus requires fewer virgin raw materials. For example, each reused ton of paper saves cutting more than fifteen trees, [iii] it tends to reduce energy requirements because materials do not need to be transported beyond the boundaries of the plant and no energy has to be provided for, say, reducing iron ore to metallic iron., [iv] finally, the process may result in savings to the firm through lower raw materials costs.

Another solution of stockpiles of containers & used pieces is to use more returnable & degradable containers.

Noise Pollution

Noise Pollution represents another area of environmental concern. In the industrial society mechanically generated noise has increased dramatically in the past several decades. Aircraft, traffic preferably transportation equipments [most notably trucks], construction equipments, various machinery and other facets of modern civilization create noise pollution.

This is caused by excessive noise which can harm humans physically and psychologically. Decreases in hearing are common result of noise pollution.

Noise Pollution in Dhaka City

It may be stated that in Bangladesh noise seems to have become the indispensable part of Bangladesh urban life. Hydraulic horns of buses, trucks, minibuses, unregulated miking, clamour from construction work, factories, etc. strain ears and nerves of the citizens every moment. There are rules to punish those who make noise nuisance but the rules, as usual, were sent in hibernation from the day of their formulation. But the human body silently refuse to be conditioned to the everyday clamour. As per report from Bangladesh Sheikh Mujibur Rahman Medical University Hospital, the listening capacity of those living in Dhaka city continuously for ten years is impaired. From five to seven percent patients who visit the hospital are affected with permanent deafness caused by almost round the clock high level noise around them. Hydraulic horn sounded by the buses and trucks is the most harmful among the sources of noise in the daily city life. The laws of the hydraulic horn are bizarre however, while the traffic rules prohibit the use of hydraulic horns in the vehicles, its import and sale are not banned. There are no specific rules to regulate the building construction. Loud speakers Act of 1957 restricts the use of mike from 6 AM to 10 PM, but the mike rules seem to be utterly ridiculous. The Department of Environment in early 1997 surveyed the noise level in 14 educational institutions and six hospital surroundings. The survey found 53 decibel at the highest sound level. According to the current standard, the highest acceptable level of sound in the school and hospital area is 45 decibel. Children suffer most from high level of noise.

To meet the epidemic situation the following recommendations are made:-

- (1) Awareness raising for the burden of noise pollution and in particular focussing on reducing the use of noise in traffic.
- (2) Implementation of regulations prohibiting use of hydraulic horns as well as stopping of import and sale of hydraulic horns by measures to be adopted by DOE.
- (3) Development of a multi-disciplinary hearing conservation programme involving industrial hygienist, engineer, nurse, audiometric technician, audiologist and otologist jointly by Director General health Services and DOE.
- (4) Reduction of noise level in the workplace by adopting engineering control method which include regulation of spacing between noise sources and operators.
- (5) Use of absorbent which proves a good means of controlling noise between source and receiver.
- (6) Siting on new housing schools and hospitals away from noise areas.
- (7) Creation of a noise and acoustic division by Department of Environment to recommend appropriate legislative measures for abatement of noise
- (8) Setting up of Traffic Police Anti-Noise Brigade by DOE for organising a number of successful noise abatement campaigns.
- (9) Conduction of social survey programme concerning feeling of public as regards traffic noise by DOE to support noise abatement campaign.
- (10) Reduction of those of noise by reducing exposure time and by use of personal ear protection.
- (11) Development of noise maps for effective surveillance of noise pollution by DOE.
- (12) Putting of an obstacle/ barrier in the way of an obstacle/barrier in the way of an air borne sound path.
- (13) Locating major highways away form the populated areas and use of bypasses and circumperential routes.
- (14) Introduction of underground transport system in place of existing surface transport system if financially possible
- (15) Introduction of improved mass transit systems for commuters.

Noise pollution can be reduced by either moving the source away from people or creating quieter machines. For example, the shifting of airports away from the city reduces the noise pollution of the city. Better insulation of buildings against noise can reduce noise pollution inside a building. Federal Occupational safety and Health Act[1970] requires that the loudest continuous noise to which an employee may be exposed for an entire workday is 90 decibels. High amount of daily fines is prohibitive to such a practice. The government also controls aircraft noise through federal Aviation Administration regulations. The principal methods of curbing noise involve designing silence into machines and constructing sound- resistant buildings.

Aesthetic Pollution

Aesthetic Pollution is anything that detracts from the beauty of nature is aesthetic pollution. Aesthetic pollution does not cause real damage in the traditional sense; however, it is a part of business's responsibility to help improve the appearance of the community. Unsightly buildings, degraded land [such as results from strip mining], smell from paper mills, road signs, tract houses in subdivisions, junkyards, dumps, and litter on roads and streets are forms of aesthetic pollution.

Traffic Congestion Pollution

Traffic Congestion Pollution is the excessive movement of goods and services, industrial workers and urban onlookers require large number of vehicles which often face traffic congestion, fuel manipulation, black smokes, etc. resulting in environmental pollution.

Land Pollution

A final area of environmental concern involves what might very generally be called land pollution. Callous & careless mining works, reckless use of private lands in an unplanned way cause pollution. Perhaps the most dramatic example is the strip-mining controversy. Wide-scale strip mining for coal in the Appalachia region [USA] has leveled mountains, scattered wildlife, destroyed vegetation, and choked rivers with runoff. This has rightly caught attention of the environmental experts. Russel Train EPA Administrator, says improved land use is the nation's "number one environmental priority". He states that polluted air and water can be restored to purity but changes of the land are apt to be irreversible.

Radiation Pollution

Radiation Pollution: Nuclear generators are seen as the most feasible short- and medium-term solution to good many nations' energy needs. However, there are several potential hazards of nuclear energy that are becoming increasingly a matter of public concern. Release of radioactivity, danger of major accident at a nuclear plant, disposal of radioactive waste with leakage possibility and water used to cool the reactors & discharged back into a water way are some of the hazards that may be of serious consequences to living beings.

Cancer, birth defects, many kinds of unknown diseases beyond cure are results of nuclear radiation.

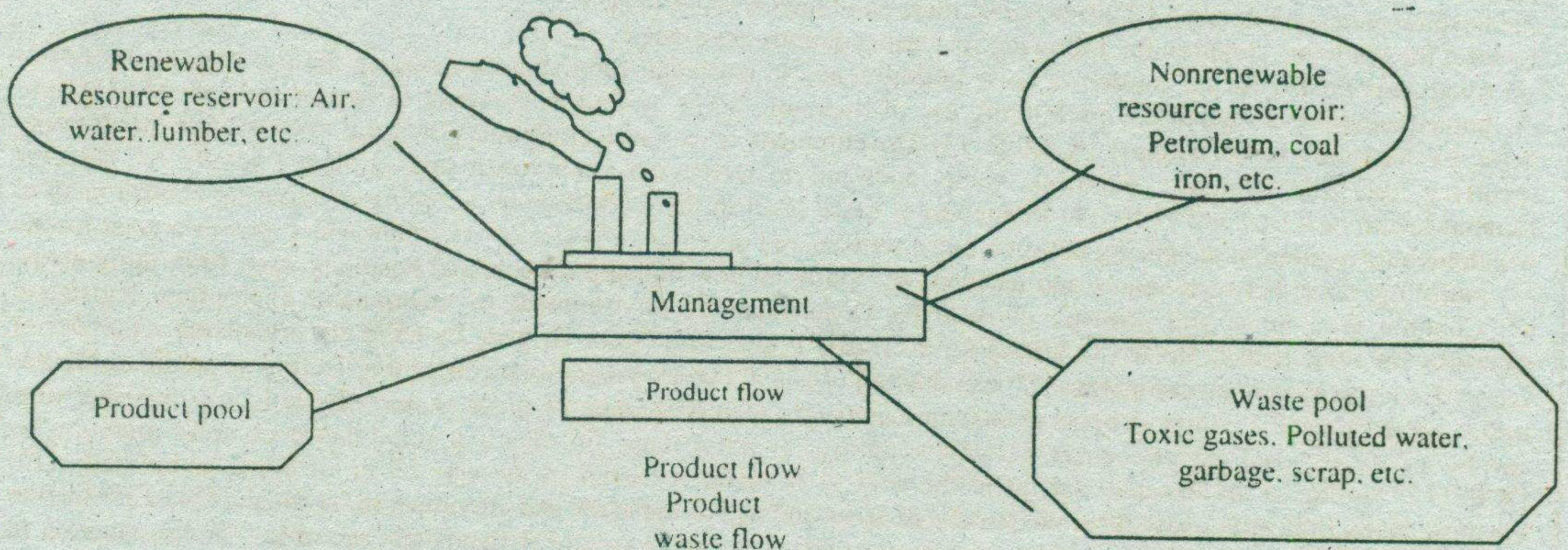


Figure-10.E: Showing Environmental Pollution by Industries

10.7 Business and Environment

A. Reactions of Business to the Pollution Issue

There can be three possible reactions to the pollution issue, such as the following:

1. **"Drag your feet" position:** The first reaction may be called a "drag your feet" meaning to ignore the pollution problems altogether. This type business management whom we call "profit maximizing management" will avoid the responsibility saying that firm's contribution is more than such loss through pollution. If insisted they will threat to close the plant and throw the people out of work. Governmental regulatory sanctions & fines are only means of getting these businesses engage in even a minimum clean up.
2. **Meet the legal requirement only:** These business managers whom we call "Trusteeship Management" will emphasize public relations and "selling" their businesses' pollution control

program, although it is only the minimum and not mentionable to the extent required by law not beyond. This type of business management argue that the public, in reality, is not willing to pay the cost [through high prices or taxes] of cleaning up the environment.

3. **Deeply concerned:** This type of management whom we call "Quality of Life Management" would be deeply concerned about the problems of the environment. These managers will focus their efforts on the positive aspects of pollution abatement by stressing research and development to innovate ways of minimizing such pollution. Such managers will remain vigilant to reduce or eliminate adverse ecological practices of their firms without serious financial drain to their firms. These enlightened managers play an important part in the public debate on pollution issues not by taking an "anti" stand but by pointing out the trade-offs involved.

As a contributor to pollution, business is involved in society's environment and ecological crisis. Business as an important institution for production can not ignore its responsibility for ecology. One of the major social responsibilities of business is to maintain a quality environment. Now a days people are increasingly becoming conscious about environmental health & its degradations, causes of such decay. They have identified the parties responsibilities for environmental degradation and as such have been raising outcries for appropriate actions from those responsible. The social responsibilities of business for the ecology and environment include the following:

- [I] to reduce pollution to the extent that is socially and technically reasonable.
- [ii] to design future facilities and activities for ecological harmony.
Included is the obligation for innovation to create better ways to live in harmony with the environment.
- [iii] to develop thorough ecological inputs from the social system and to respond thoughtfully to them.

B. Safety and Acceptable Risk

While no one can reasonably insist that all products be made as safe as possible, regardless of expense, there are reasonable expectations of safety to which manufactures can be held. For people to rationally decide about risk, they must first know that they are exposed to it. Just as people have a right not to be harmed, they have a right to know when they are being put at risk of harm. Hence, a manufacturing firm has the obligation to inform consumers of the harm they are or may be subjected to by using its products, if this is not evident. The obligation to inform people of risk of harm also obliges chemical and other manufacturers of dangerous or toxic substances to inform those near their production facilities of the potential risks those people face.

Second, people must know not only that they are at risk but also the nature and source of the risk to which they are exposed, if they are rationally to evaluate it. If the risk is from a product, they must know under what conditions the risk occurs. Third, in order to evaluate the risk the user must know both how great it is and how to deal with it – for instance, by avoiding it or minimizing it. Finally, in order to rationally assess risk one must know what the alternatives are, if any. The level of acceptable risk should be determined by an informed public, and by its elected and appointed representative. The solution of choice with respect to automotive safety, for instance, is a set of safety standards mandated by some agency such as the National Highway Traffic Administration, provided that it is not controlled by the auto industry and that it truly acts in the interest of the public.

C. Environmental Improvement on Business

When the full system effects of environmental improvement are considered, it is evident that business will be significantly affected. One certain result is that business will face more regulations from all levels of government. Involvement of government is necessary in order to establish priorities and goals

and to maintain coordination toward them. A second result, caused partly by the first one, is that business will have increased costs and liabilities for environmental improvement. Air and water, which formerly were part of the public common and were relatively free resources to be used as business wished, now will be part of the internal cost system of business.

A third effect is that the business decision-making environment will become much more nebulous and difficult. Environmental problems are complex, and the participation of many pluralistic interest groups in the decision matrix will make decision even more difficult. New decision tools and organizational units will need to be brought to the situation. New values and ways of thinking also will be involved. For example, new ecological management units will become a major influence in policy making and in operating decisions. Ecological influences will be felt in all functions and at all levels of the organization.

A fourth effect is that business will need to adjust its procedures, organizational units, and life-style in order to improve both its social inputs and outputs. Business intelligence particularly needs to become more sensitive to inputs beyond economic ones. Business's economic competence has been without peer, but sensitivity to social values has been weak.

A fifth effect is that business will find it necessary to do much more system thinking and global thinking than formerly. Businessmen cannot confine them-selves strictly to economic issues, leaving ecological externalities to be considered by others. The whole ecological system and social system must be considered in a global and system way. System thinking will cause a redefinition of the traditional economic concept of profit maximization.

D. Business Responsibility for Improvement

The remarks in this place may incorporated into a set of social responsibilities which business faces with regard to the environment. As society's major economic institution for production, it cannot ignore its responsibility for ecology. The social responsibilities of business for ecology include the following:

1. To reduce pollution to the extent that is socially and technically reasonable.
 2. To design future facilities and activities for ecological harmony. Included is the obligation for innovation to create better ways to live in harmony with the environment.
 3. To develop thorough ecological inputs from the social system and to respond thoughtfully to them.
- In this situation society has reciprocal responsibility toward business. Society's responsibility is to work supportively and reasonably with business to accomplish the social mission of a clean environment. This is not a time for accusations, emotionality, or panic.

10.8 The Costs of Pollution Control

[1] Cost Allocation and Pricing:

Organizations take raw materials and produce products and services. If the cost of producing the output is greater than the price customers are willing to pay, then the organization cannot make enough profit to stay in business for very long. Organizations sustain themselves by creating value over and above the costs of the inputs. If the benefits to those willing to pay outweigh the costs, then the organization creates a surplus and can continue to produce its goods and services. Such "cost-benefit" thinking has ruled the business world from early times. The cost-benefit model has been the dominant mode of thinking about environmental solutions for the last 30 years, especially in the minds of environmental regulators. Simply put, if the benefits of a proposed environmental regulation outweigh its costs, then the regulation should be implemented. But if the costs of a particular environmental rule outweigh its perceived benefits, then the rule should not be enforced.

The problem with cost-benefit thinking is that not all benefits and costs are easily quantifiable. For example, what is the benefit to our children of the ozone layer not being destroyed? Such a benefit is difficult to measure. Because we have ignored the natural environment for so long, it is now difficult to simply add "environmental costs" to the normal business equations. For some site-specific and local environmental issues this thinking can help guide us towards solutions that makes sense, but applying it on a global basis simply doesn't work very well. We have too little understanding of the real, long-term costs and benefits of environmental action and inaction. Costs relative to time, effort, and discomfort can and must be introduced. Benefits can take even more numerous forms: health, convenience, comfort, enjoyment, leisure, self-fulfillment, freedom from odor, enhanced beauty, and so on. Benefits are especially difficult to calculate in environmental matters because they often take an aesthetic form. It seems inevitable that any assessment of costs and benefits will be subject to various factual uncertainties and significantly influenced by the values one holds.

Most would probably agree that environmental pollution cannot be stopped without business and government working together. The main proposals for revitalizing the environment conceptualize government as initiating programs that concerns us, then, is the fairest way of allocating costs for environmental revitalization. Three approaches have gained the most attention: the use of regulation, incentives, and pricing mechanisms. The claim that those responsible for causing the pollution ought to pay the costs of pollution control seems eminently fair until one asks a simple question. Big business is the chief polluter, and this alone, according to the argument, is enough to justify the claim that business ought to bear the lion's share of pollution control costs. It remains true that certain individuals will benefit more than others from environmental controls. A fair and just program for assigning costs begins with a recognition that we all bear responsibility for environmental problems and that we all stand to benefit from correcting them.

An approach to the cost-allocation problem involves programs designed to charge firms for the amount of pollution they produce. This could take the form of pricing mechanisms, or effluent charges, which spell out the cost for a specific kind of pollution in a specific area at a specific time.

One advantage in this approach is that it places the cost of pollution control on the polluters. Pricing mechanisms or affluent charges would penalize, not compensate, industrial polluters.

[ii] Regulations

The regulatory approach makes use of direct public regulation and control in determining how the pollution bill is paid. A clear advantage to such a regulatory approach is that standards would be legally enforceable. Distinct disadvantages in this approach.

Pollution statutes and regulations generally require polluters to use the strongest feasible means of pollution control. There's the question of both the equity and the economic sense of requiring compliance with universal standards, without regard for the idiosyncratic nature of each industry or the particular circumstances of individual firms.

Regulation can also take away an industry's incentive to do more than the minimum required by law. No polluter has any incentive to discharge less muck than regulations allow. No entrepreneur has an incentive to devise technology that will bring pollution levels below the registered maximum. There's the problem of displacement costs resulting from industrial relocation or shutdown due to environmental regulations. Clearly, then, a regulatory approach to environmental improvement, while having, advantages, also raises serious questions.

[iii] Incentives

A widely supported approach to the problem of cost allocation for environmental improvement is government investment, subsidy and general economic incentive. An incentive approach provides an economic reason for going beyond minimal compliance. But incentives are not without disadvantages that bear moral overtones. First, as an essentially voluntary device, an incentive program is likely to be

slow. Incentive programs may allow urgently needed action to be postponed. In addition, government incentive programs often amount to a subsidy for polluters.

[iv] Pollution Permits.

Environmentalists dislike the underlying principle of pricing mechanisms and pollution permits and view. They resent the implication that companies have a right to pollute and reject the notion that companies should be able to make money by selling this right to other firms. Fairness in turn calls for input from all sectors of society, a deliberate commitment on the part of all parties to work in concert, a sizable measure of good faith, and perhaps above all else a heightened sense of social justice. Environmental protection is not always a static trade-off, with a fixed economic price to be paid for the gains we want.

Instead of imposing a tax or a fee on the pollutants released into the environment, the government could charge companies for pollution permits. Three special features helped the scheme work. First, the amount of lead in gasoline is easy to monitor; second, only a small number of firms were involved; and third, the environmental goals of the program were clear and widely accepted.

10.9 Government as Motivators to Reduce Pollution

In order to cover different pollutants, kinds of pollution sources, economic conditions, and technological features, government should use its full arsenal of social motivators for environmental improvements. Following are the **principal approaches/ incentives / tools** that may be used:

- i. Tax incentives for pollution control equipment such as faster / accelerated depreciation or tax credit
- ii. Matching grants or subsidies for installation and operation of pollution control equipment
- iii. Monitoring, research, and investigative bodies which make reports, recommend legislation, and use the pressures of publicity such as the Council on Environmental Quality
- iv. Denial of government contracts and other privileges to violators or granting more privileges to those do not violate or care for least pollution
- v. Research grants for development of new control methods, and demonstration grants to test them in service
- vi. Effluent charges for pollution emission [such as a cash fine for each ton of noxious fumes from a smokestack or each gallon of a chemical waste dumped into a river]
- vii. Legislative standards enforceable in courts of law
- viii. Administrative boards which may set standards enforceable in courts of law
- ix. Zoning & other regulations such as waste discharge of new plants or exhaust emissions of new automobiles.

10.10 Ethics and Technology

New technology sometimes complicates our ethical lives and our ethical decisions. Whether the new invention is the wheel or a contraceptive pill, new technology always opens up new possibilities for human relationships and for society, good and ill. Use of pill for whatever reason will certainly affect our ethical standard by increasing unwanted pregnancy resulting from premarital sex. One technological inventions / innovations often seems to breed a half a dozen additional ones which themselves create more environmental problems. We certainly do not solve rather make more environmental complications by changing power plants fueled by coal to power plants fueled by nuclear energy, if radioactive waste from the latter is worse than pollution from the former. The answer is not to stop technology, but to guide it towards proper ends, and to set up standards of antipollution to which all technological devices must conform.

10.11 The Sustainable Development Framework

Sustainable development approach is well acclaimed throughout the world. Various organs of the United Nations including the World Bank have recently given much weight on sustainability concept for the developmental projects. The framework has three dimensions which may be seen in the following figure:

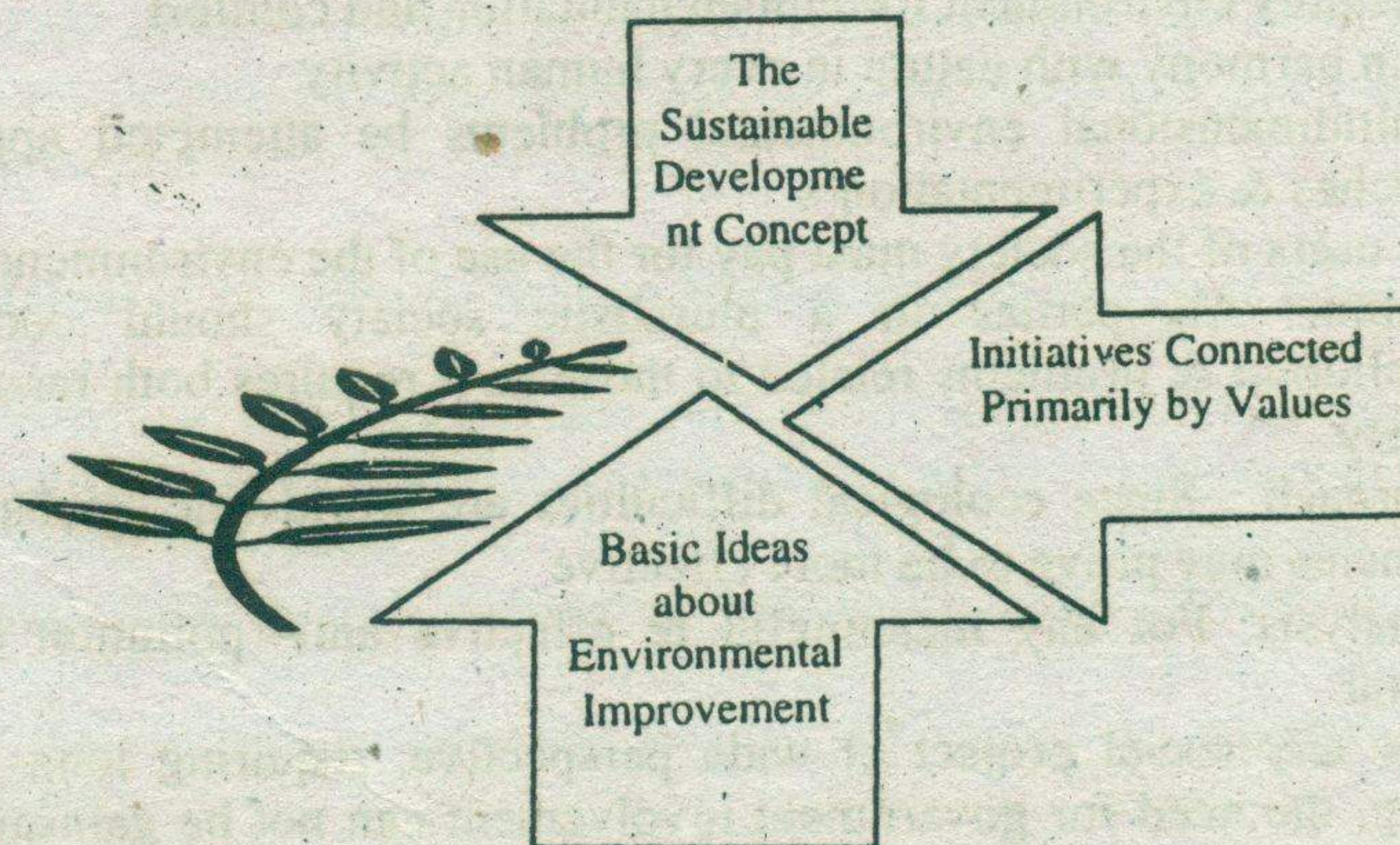


Figure-10.F: Showing Sustainable Development Framework

A. The Sustainable Development Concept

Moving beyond cost-benefit thinking and taking into account the fact that many environmental costs and benefits accrue over a long period of time, a number of thinkers have begun to develop a new framework based on the concept of **sustainable development**. The logic of this framework is very simple: engage in those organizational activities that can be sustained for a long period of time or that renew themselves automatically. Economic development that destroys resources such as old growth forests, or rainforests, cannot be sustained, for such development continues, the very process of life itself may be threatened.

The concept of sustainable development has long been a source of concern and was emphasized in the Brundtland Commission Report to the United Nations, which called for a radically new way of encouraging economic development to preserve the environment. It was defined as development which "meets the needs of the present without compromising the ability of future generations to meet their own needs."

Applying sustainable development thinking to individual firms is trickier. It is easy for each organization to believe that sustainable thinking must be left up to government, and that no one business should have to incur costs for sustainable development that its competitors – who may be in other countries with laxer regulations – do not have. So, if sustainable development is to provide a new way to think about individual organizational action, it must be more fully developed in line with the organizational environment concepts in this chapter.

B. Initiatives Connected Primarily by Values

The environmental movement consists of many initiatives connected primarily by values rather than by design. A plan to create a sustainable future should realize its objectives through a practical, clearly stated strategy. Some of the key steps recommended by Hawken and McDonough follow:

1. Eliminate the concept of waste. Seek newer methods of production and recycling.
2. Restore accountability. Encourage consumer involvement in making companies accountable.

3. Make prices reflect costs. Reconstruct the system to a "green fee" where taxes are added to energy, raw materials, and services to encourage conservation.
4. Promote diversity. Continue researching the needed compatibility of our ever-evolving products and inventions.

C. Basic Ideas about Environmental Improvement

Following are some of the basic ideas towards improvement of the environment:

- i. Quality of life: Healthy environment for human habitation and comfort
- ii. Ecology: Maintain harmony with nature in every human activity
- iii. Complexity: Multidimensional environmental problems be attempted appropriately through continuing researches & experimentation's
- iv. Social costs: The users of the society must pay for the use of the environmental facilities
- v. Mutual cooperation: All parties in a pluralistic society should cooperate in solving environmental pollution & problems related to those as it requires both resources and expertise of the entire society
- vi. International approach : Since ecological difficulties are worldwide, global approach through international agencies may prove to be more effective
- vii. Cost/ Benefit analysis: For any meaningful & effective anti- pollution effort cost/ benefit analysis is essential

Government's role: For any social project of wide perspective, requiring long- range time frame, calling for huge funding, the need for government involvement can not be gainsaid. Government has the vital role in determining plans, setting priorities, making policies, schemes & projects in guiding standards for environmental improvements and pollution control.

10.12 The Value of Nature for the Future Generations

Almost everybody feels intuitively that would be wrong to empty the globe of resources and to irreparably contaminate the environment that we pass on to the future generations. We substantially injure the future generations to gain some small benefits for ourselves, we are being as selfish and short-sighted as we would be by hurting other people today for some slight advantage for ourselves. Normally, however, if the benefits of some environmental policy outweigh the costs, then a strong case can be made for adopting the policy. But what if it is the present generation that receives the benefits and future generations that pay the costs? Would it be unfair of us to adopt such a policy? Would doing so violate the rights of future people?

A more radical approach to environmental ethics goes beyond the question of our obligations to future generations. It challenges the human- centered approach adopted so far. According to a naturalistic ethic, however, the value of the mountain is not simply a function of these human interests. Nature can have value in and of itself, apart from human beings. Some defenders of a naturalistic ethic contend that we have a particularly strong obligation to preserve species from extinction.

Adopting a naturalistic ethic would definitely alter our way of looking at nature and our understanding of our moral obligations to preserve and respect the natural environment. Many philosophers doubt, however, that nature has intrinsic value or that we can be said to have moral duties to nature. Having interests is a precondition, they would contend, of something's having rights or of our having moral duties to that thing. Natural objects, however, have no interests. Can a rock meaningfully be said to have an interest in not being eroded or in not being smashed into smaller pieces?

Our Treatment of Animals

Above a certain level of complexity, animals do have at least rudimentary cognitive awareness. No owner of a cat or dog doubts that his pet has beliefs and desires. Accordingly, an number of

philosophers have recently defended the claim that animals can have right. Rather than talking about animals' rights, utilitarians would stress that higher animals are sentient – that is, that they are capable of feeling pain. Accordingly, there can be no justifiable reason for excluding their pleasures and pains from the overall utilitarian calculus.

In principle, utilitarians are willing to permit testing and experimentation on animals, provided the overall results justify their pain and suffering. Moral vegetarians are people who reject the eating of meat on moral grounds. Their argument is simple and powerful: The raising of animals for meat, especially with modern factory farming, sacrifices the most important and basic interests of animals simply to satisfy human tastes.

10.13 Islamic Emphasis on the Protection of Natural Environment

The Muslim businessman is expected to take care of his natural environment. The recent trend of *business environmentalism*, where businesses are being proactively very careful in the way they handle environmental concerns, is nothing new. Several instances exemplify the importance that Islam attaches to the natural environment: treatment of animals; environmental pollution and ownership rights; and environmental pollution of "free" natural resources such as air and water. Islamic Shariah has rightly emphasised through Quran and Hadith the need for protection and preservation of environmental elements.

Quranic Guidelines	Guidelines given through Hadith
<p>1. Seest thou not that Allah sends down rain from the sky? With it we then bring out produce of various colors. And in the mountains are tracts white and red, of various shades of color and black intense in hue. And so amongst men and crawling creatures and cattle are they of various colors. Those truly fear Allah, among His Servants who have knowledge. [Qur'an 35:27-28.]</p> <p>2. Behold, thy Lord said to the angels, "I will create a vice-gerent on earth." They said, "Wilt thou place therein one who will make mischief therein and shed blood, whilst we do celebrate Thy praises and glorify Thy holy (name)?" He said, "I know what ye know not." And he taught Adam the names of all things: [Qur'an 2:30.]</p> <p>3. And spend your substance in the cause of Allah. And make not your own hands contribute to [your] destruction; But <i>do good</i>; for Allah loves those who do good. Al- Bauarah 2 (195</p> <p>*4. "It is Allah who made your homes as places of rest and quiet, and made for you out of skin of animals (tents for) swellings And out of their wool and their soft fibre ad their hair, rich stuff and articles of convenience.... Out of the</p>	<p>1. If one is sure that he is just near to the doomsday and if he has a plant in his hand he should implant that if he can. [Kanjul Ummal- via Mushnad-E-Ahmad]</p> <p>2. If any person constructs a cesspit or a sewer near a well of water belonging to some other person, and contaminates the water thereof, he may be made to remove the injury. If it is impossible to remove the injury, he may be made to close up the cesspit or sewer. Again, if any person constructs a sewer near to a water channel, and the dirty water from such sewer flows into the channel and causes great injury thereto, and no other way can be found to remove such injury than by closing it, the sewer shall be closed</p> <p>3. Any person may make use of any thing that is free provided that is doing so no injury is inflicted upon any other person</p> <p>4. Any person may water his lands from rivers which are not owned in absolute ownership by any particular person, and, in order to irrigate them and to construct mills, may open a canal or water channels, provided that he does not thereby inflict injury on any other person. Consequently, if the water of the river is entirely cut off, or boats cannot be navigated, such injury must be stopped.</p>

Quranic Guidelines	Guidelines given through Hadith
<p>things He created, some things to give you shade, and of the hills He made some for your shelter. He made your garments to protect you from heat, and coats of mail to protect you from (your) mutual violence. Thus, does He complete His favours on you, that ye may bow to His will. (16:81-81)</p>	<p>5. Allah's Messenger (peace be upon him) said, "There is none amongst the Muslims who plants a tree or sows seeds, and then a bird, or a person or an animal eats from it, but is regarded as a charitable gift for him." [Ecology, environment and gifts], Anas Ibn Malik, Bukhari, 3.513</p> <p>6. Khamr is what befogs the mind. [Drugs are prohibited because of their intoxicating and hallucinogenic effects] Quoted Al Qaradawi, Tirmidhi and Ibn Majah</p>

Muslims are encouraged to appreciate the beauty of the natural environment. In fact, Allah refers to the beauty of the natural environment as one of His signs: Islam emphasizes man's role towards the natural environment by making him responsible of his surroundings as Allah's vicegerent. Although Islam honors ownership rights, it does not consider these rights to be absolute especially if they may lead to environmental pollution and threaten public safety. For example, Muslims are also prevented from slaughtering animals in the streets or houses in order to avoid unsanitary conditions. Similarly, to reduce the danger of public safety and environmental hazards, Muslims are not allowed to install a forge, a threshing floor, a cook shop or a mill in residential areas. Once a Muslim pollutes the environment, he is expected to clean it up or remove what is causing the pollution. Conversely, businesses cannot be held responsible for noise or other types of environmental problems under certain conditions. Thus, if a business is already set up in a location, and an individual builds a house next to it, the owner of the new house cannot complain about noise, dust or other sources of disturbance resulting from his proximity to the business:

The general principle with respect to resources that are free, e.g., air, ocean water, etc. is the following: The effects of our environmental recklessness are now coming home to roost, threatening the integrity of the biosphere and possibly life itself. The planet appears to be warming, its protective ozone layer thinning its lush forests disappearing. Our rivers and lakes are dirty; our air is unclean. We are just beginning to recognize the illnesses and health risks due to toxic chemicals – lung cancer from asbestos, leukemia from benzene, cancer of the liver from vinyl chloride, sterility from Kepone – because the symptoms of such diseases often do not show up for years. Some health experts suspect that a substantial proportion of all types of cancers may be environmentally induced – from exposure in the workplace, from toxic dumps, from chemicals that seep into water supplies, and from food additives and other sources. Considerable attention has focused on business's and industry's responsibility for preserving the integrity of our natural environment.

10.14 Summing Up

Pollution basically arises when society's waste begins to impair the quality of the environment for living things. Ecology & environmental quality are of interest to all living beings in general and the human race in particular. There is a little doubt that mankind is facing an ecological crisis of various proportions around the world. Pollution occurs when any biological, chemical, or physical factor is present in the environment for a sufficient time and concentration that either renders it injurious to humans, animal or plant life, or creates conditions affecting the comfort, well-being or safety of the citizenry.

Technological breakthroughs, governments regulations, and other approaches including the religious imperatives are being applied to reduce it. The role of the government is primarily that of setting priorities, policies, and

standards. The regulatory approaches used most often are incentives, environmental standards, and effluent charges. The Environmental Protection Agency/Dept is the chief regulatory arm of the government. Pollution of water, air, solid waste and noise pollution are some of the major areas significantly brought under control in the developed world. Society expects a better quality of life, and business has a responsibility to help satisfy this need.

1. Business functions within a global ecological system. Because of the interrelated nature of ecosystems, because intrusion into ecosystems frequently creates unfavorable effects, business must be sensitive to its impacts on the physical environment.
2. Traditionally, business has regarded the natural world as a free and unlimited good. Pollution and resource depletion are examples of situations in which each person's pursuits of self-interest can make everyone worse off [the "tragedy of commons"]. Business must be sensitive to possible disparities between its private economic costs and the social costs of its activities [the problem of externalities or spillovers].
3. Companies that attempt to be free riders in environmental matters or that refuse to address the external costs of their business activities behave unfairly. Some philosophers maintain, further, that each person has a human right to a livable environment.
4. Pollution control has a price, and trade-offs must be made. But weighing costs and benefits involves controversial factual assessments and vague judgements. Any equitable solution to the problem of who should pay must recognize that all of us in some way contribute to the problem and benefit from correcting it.
5. Cost allocation requires a combination of regulations, incentives, and charges or permits for polluting. Such an approach must not only consider what is effective but must also seek a fair assignment of costs.
6. A broader view of environmental ethics considers our obligations to those in other societies and to future generations. Some philosophers argue that we must respect the right of future generations to inherit an environment that is not seriously damaged, but talk of the rights of future people raises puzzles.
7. Philosophers disagree about whether nature has intrinsic value. Some, adopting a human-oriented point of view, contend that the environment is valuable only because human beings value it. Those adopting naturalistic ethics believe that the value of nature is not simply a function of human interests.
8. Environmental ethics goes beyond the question of our obligations to future generations. It challenges the human-centered approach adopted so far. Some defenders of a naturalistic ethic contend that we have a particularly strong obligation to preserve species from extinction.
9. Through experimentation, testing, and the production of animal products, business has very substantial impact on the welfare of animals. The meat and animal-products industries rely on factory-farming techniques, which many describe as cruel and horrible. Because of these conditions, moral vegetarians argue that meat eating is wrong.
10. Businessman who live & perform their business basing on Islamic Shariah is expected to take care of natural environment. The businesses and their owners need be proactively very careful in the way of performing all aspects of their life including business in handling environmental concerns.. Several instances exemplify the importance that Islam attaches to the natural environment: plantation and preservation of herbs and trees, treatment of animals; environmental pollution and ownership rights; and environmental pollution of "free" natural resources such as air and water. Islamic Shariah has rightly emphasized through Quran and Hadith the need for protection and preservation of environmental elements.

Model Questions

Broad Questions

1. How production and consumption is tagged with the Ecological system?
2. Explain the basic types and sources of pollution.
3. What are the major areas of environmental pollution? Explain with particular case reference.
4. What are the cost of pollution control? Who should pay the cost? Explain the approaches of cost allocation.
5. 'The value of Nature for future generation is important' Comment with reference to environmental ethics.
6. Explain the reactions of business to the Pollution Issue.

7. How can government act as a motivator to reduce pollution? – Explain.
8. Give some ideas about improvement of environment.
9. Sustainable development is not possible without improving environment. – Explain.
10. How Islam emphasis on the Protection of Natural Environment – explain it with reference to Qu'ran and Hadith.
11. How do you feel about whistle- blowing activity? If you were aware of criminal activity taking place in your organization, and if reporting it might cost you your job, what would you do ?
12. Describe the three major types of pollution. What can business firms do to help reduce each type of pollution?
13. Do you believe that business, as a whole, subscribes to the actions being taken by a few firms to promote environmental quality control? Why or why not?
14. Describe the basic parts of the ecological system and explain the effect of population growth upon the system.
15. The four basic ways by which a company can control pollution are processing the waste output, processing the useful output, changing the process, and changing the input. Explain how each of the following companies can use there mean to control pollution.
16. Advertisements are sometimes criticized on the basis that they do not give all the facts. Evaluate this statements from the ethical point of view.
17. What is your view of whistle blowing? Have you ever been in a situation where your own conscience suggested that another employee's actions were unethical or socially irresponsible? What did you do?
18. Indicate some of the standards of moral behavior that are commonly expected of organization's employees.
19. Who will bear the cost of eliminating pollution? Explain.

Short Questions

1. What does the term Ecology and Ecosystem refers to?
2. State the four basic positions that each element occupies.
3. Write down the four laws of ecology.
4. What is the business traditional attitude toward the environment? Is it faulty?
5. Why ethics is important in Environment protection?
6. What do you mean by safety and acceptable risk?
7. What moral and political issues are involved into environmental ethics?
8. How can you ensure environmental awareness?
9. 'A plan to create sustainable future should realize its objectives through a practical, clearly stated strategy' – Explain briefly.
10. Write down the effects of Environmental Improvement on business.
11. What are the social responsibilities of business for ecology?
12. Which principal industries contribute to air pollution? How does water pollution harms human beings?
13. What is solid waste pollution? How can noise pollution be solved?