



Need for Value Education

All human beings aspire for a happy, fulfilling life. For a human being, there are two important questions pertaining to this:

- What is my aspiration? (What to do?)
- How to fulfil my aspiration? (How to do?)

The purpose of education is to facilitate the development of clarity on the aspiration and adequate competence to actualize it.

For this, it is essential to understand what a happy, fulfilling and successful life is – what is really valuable for human being; what is our purpose as a human being? Understanding human aspiration, or what is really valuable for human being, is the value domain. The subject which enables us to understand this domain is called ‘Value Education’ (VE). It enables us to understand our aspirations and visualise our goals for a fulfilling life and indicates the direction for their fulfillment. In relation to these issues, it also helps to remove our confusions and contradictions. In that sense, VE addresses the issues related to ‘what to do?’.

It is also necessary to learn the skills to actualise our aspirations. This is the skill domain. The subject which enables us to learn the skills is called ‘Skill Development’ (SD). It enables us to learn the science, technology, management and other skills for fulfilling our aspiration. In that sense, SD addresses the issues related to ‘how to do?’.

Values and skills go hand in hand. Both values and skills are required. There is an essential complementarity between the two. The priority is values, then skills; i.e. first understanding ‘what to do’ and then developing the skills for ‘how to do’. And of course, checking if this results into a fulfilling life!

The present education system has largely become skill-biased. For developing skills, the prime emphasis is on science and technology, without a base of values. Skills can only help to provide the means to achieve what is considered valuable. It is not within the scope of science and technology to provide a way to decide what really is valuable. The consequence of skill-biased education is clearly visible in the form of serious crises at the individual, societal and environmental level. Thus, there is a strong need to rectify this situation. Value education is a crucial missing link in the present education system.

But more importantly, the prime need of value education is to understand human aspirations, to discover what is truly valuable in life; and work out the program for its fulfillment.

Guidelines for Value Education

For any input to qualify for Value Education, the following guidelines for the content of the course are important:

Universal: It has to be universally applicable to all human beings for all time and all places. This implies that values should not change according to sect, creed, nationality, gender, etc.

Rational: It has to appeal to reasoning; and not be based on dogmas or blind beliefs. It has to be open to address the related questions. It cannot be a set of sermons or do’s and don’ts.

Natural and Verifiable: It has to be ‘naturally acceptable’ to the human being and there needs to be every provision in nature for its fulfillment. It needs to be experientially verifiable, and not based on dogmas, beliefs or assumptions. It is not merely an intellectual exercise or information transfer.

All Encompassing: It needs to cover all dimensions (thought, behaviour, work and understanding) and levels (individual, family, society and nature/existence) of human life.



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Leading to Harmony: It ultimately needs to promote harmony within the individual, among human beings and with the entire nature.

Content of Value Education

The value of an entity is its participation in the larger order of which it is a part. The context is always the larger order. Value has to do with the participation of a unit in the larger order. E.g. a piece of chalk is a unit. The classroom is the larger order for this unit. The value of chalk is that it can be used to write on the blackboard for the desired functioning of the classroom.

The value or role of a human being is its participation in the larger order. E.g. my role in living with the other human being is to ensure the feeling of respect in the relationship. Interestingly, I feel happy in fulfilling my role; and it is fulfilling for the other as well!

This value is worth understanding, worth thinking about, worth living. The value of human being is to ensure mutual fulfilment in the larger order¹, i.e. in the entire nature/existence, but starting from within themselves, then extending in their family and in the society.

Hence, to understand human values, we need to study the human reality along with all that is there in the entire nature/existence which constitutes the larger order. We need to explore and understand things as they are; so that we are able to recognise and fulfil our participation with them.

That means the content or scope of study has to be all encompassing, i.e.

- It has to cover all dimensions of human being – thought, behaviour, work and realisation.
- It has to cover all levels of human living – individual, family, society, nature and existence.

Accordingly, the content of Value Education has to be to understand human being, human aspirations, happiness; understand the goal of human life comprehensively; understand the other entities in nature, the innate inter-connectedness, the harmony in the nature/existence and finally the role of human being in this nature/existence.

Continuous Happiness and Prosperity as Basic Human Aspirations

Whatever we think, whatever we do is with some end state in mind. That end state is our basic aspiration.

When you ask yourself:

- Do I want to be happy?
- Do I want to be prosperous?
- Do I want the continuity of happiness and prosperity?

The answers are in affirmative yes. We have a natural acceptance for continuity of happiness and prosperity. These are our basic aspirations.

¹The word 'order' is used interchangeably with the word 'harmony', throughout



Basic Requirements for Fulfilment of Human Aspirations

When we try to find out if we have fulfilled our basic aspiration, it is not always so affirmative. There is quite a gap between our basic aspiration and our state of being.

When we reflect on all the effort we are making, we can easily see that we are generally working for accumulation of physical facility!

The basic problem is that we have assumed that ‘happiness and prosperity will automatically come when we have enough physical facility’.

This is something we need to explore in our own life. Where are we putting in our effort?

If continuity of happiness and prosperity is not achieved by just accumulating physical facility then what else is essential to do? Let’s try to find out by asking this question to ourselves:

Is the unhappiness in my family

- More due to lack of physical facility or
- More due to lack of fulfilment in relationship?

When you explore into it, you will find that the major reason for the unhappiness in the family is the lack of fulfilment in relationship and not just the lack of physical facility.

Now to look at the investment of your effort, find out:

- How much time and effort you are investing for physical facility, and
- How much time and effort you are investing for fulfilment in relationship?

Generally, most of the time and effort is being invested for physical facility, assuming that everything is going to be fine when there is enough physical facility, and there will be no unhappiness in the family.

The problems are more due to lack of fulfilment in relationship, and we are investing major part of our time and effort for physical facility.

With this discussion, the conclusion that we want to draw out of this is a very simple one:

For human being physical facility is necessary, but relationship is also necessary.

In fact, by seeing this, we can understand the difference between animals and human beings. Physical facility is necessary for animals as well as for human beings. For animals, it is necessary as well as adequate. But when it comes to human beings, that is not the case – physical facility is a necessity, but physical facility alone is not going to suffice for the fulfilment of human being.

When a human being has lack of physical facility, (s)he becomes uncomfortable and unhappy. Once (s)he gets the physical facility, (s)he forgets about it and starts thinking about many other things.

So, we can conclude that physical facility is necessary for animals; it is necessary for human beings also. However:

- For animals, physical facility is necessary as well as adequate.
- For human beings, physical facility is necessary, but physical facility alone is not adequate.

While we do have a natural acceptance to live in relationship, are we actually able to ensure living in relationship? Have we understood this or just assumed it? To explore this further, find out if:

1. You want to live in relationship (harmony) with others or
2. You want to live in opposition with others or
3. You believe, living has to be necessarily in opposition with others, i.e. there is 'struggle for survival', 'survival of the fittest' and if you feel happy living this way?



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A little introspection will show that out of these three, what is naturally acceptable is the first one. You certainly do not want to live in opposition with others. But you may be conditioned to think in a manner as mentioned in the third option. If we adopt the third option, it has significant negative implications in our life, in the family and in the society. We can see this all around today.

In relationship, what is generally happening today is something like this:

Every time when there is fight, we want to resolve it. We start the next day with the thought that we don't want to fight today; but a fight takes place again (sometimes by the end of the same day).

Does this happen with you, with your brother, sister, father, mother, spouse, children, with your friends, co-workers, etc.? Getting irritated, angry, not speaking for days, dragging each other to court, divorces, etc. are indicators of the situation in relationship.

For ensuring fulfilment in relationship, it is necessary to have right understanding about relationship.

From the preceding discussion, it may be concluded that **for fulfilment of human being— physical facility, relationship and right understanding – all three are necessary.**

We can see that physical facility, relationship and right understanding are three distinct realities. All three are required for fulfilment of human being. One cannot be substituted for the other.

If we investigate into the priority among these, we can see that right understanding is the first priority, fulfilment in relationship with human being is the second priority and ensuring physical facility with rest of nature is the third priority.

Right Understanding, Relationship and Physical Facility

Human being wants to live with continuous happiness and prosperity and this is possible by ensuring right understanding, fulfilment in relationship and physical facility in the correct priority. This is living with 'human consciousness'.

On the other hand, if one is living for physical facility alone, and not ensuring right understanding and right feeling in relationship, s(he) feels unhappy and makes others unhappy too. This is one outcome.

The other outcome is that if the right understanding is missing, one is not able to identify the need for physical facility. Now, if we are not able to identify our need for physical facility then regardless of how much physical facility we accumulate, we never feel that we have enough. We keep wanting more. This feeling of not having enough is the feeling of deprivation. As a result, one is deprived, exploiting and depriving others.

While physical facility alone may suffice for animals, it is not adequate for human being to be fulfilled. Under this condition, one is living with 'animal consciousness'.

There are generally two kinds of people today:

1. Those lacking physical facility, unhappy and deprived
2. Those having physical facility, and yet unhappy and deprived

Try to find out where you are – at 1 or at 2?

Whereas we really want to be is in the following state, i.e.

3. Having physical facility, happy and prosperous.



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It is easy to see that we naturally want to be in the state 3, of having more than required physical facility, happy and prosperous. However, today we seem to be at 1 or 2 and our effort is generally for 2. You can see that what is called development today largely takes us from '1' to '2'.

Now, if we are able to ensure all three, i.e. right understanding, relationship and physical facility, in that order of priority, let us see the outcome (refer to fig. 3-5).

- Through right feeling in relationship, based on right understanding, we can ensure mutual happiness – happiness for ourselves as well as happiness for others.
- With right understanding, we can identify the need for physical facility. We can also learn how to produce using a mutually enriching production process. Once we are able to ensure the availability of more than required physical facility, we have a feeling of prosperity; isn't it?



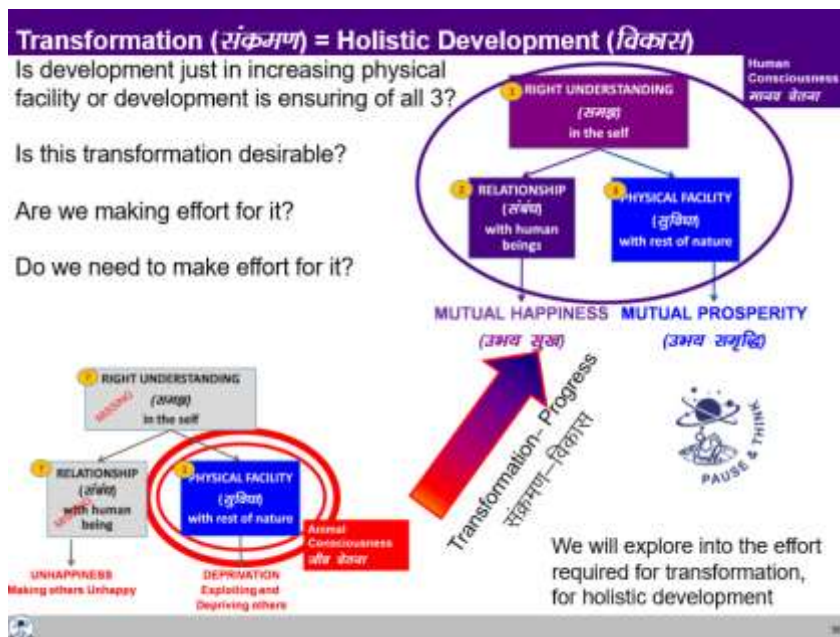
Development of Human Consciousness

We can clearly envisage holistic development as the transformation of consciousness –to human consciousness. Of course, it will necessitate working on all three – right understanding, fulfilment in relationship as well as physical facility; and in that order of priority.



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Role of Education-Sanskar

(Enabling the Transformation to Human Consciousness)

The role of education is essentially to facilitate holistic development, i.e. the individual transformation to human consciousness as well as the societal transformation to a humane society.

For this, the education-sanskar has to ensure:

1. Right understanding in every child,
2. The capacity to live in relationship with other human beings, and
3. The capacity to identify the need for physical facility, the skills and practice for sustainable production of more than what is required, leading to the feeling of prosperity.

Education is developing the right understanding (holistic perspective).

Sanskar is the commitment, preparation and practice of living with right understanding. The preparation includes learning appropriate skills and technology.





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Key Takeaways

The prime need of value education is to understand human aspirations, to discover what is truly valuable (human value) in life. Value of any entity is its participation in the larger order of which it is a part. The value of human being is its participation towards mutual fulfillment (harmony) starting from within themselves, then extending in their family, in the society and in nature. The content of value education has to be universal, rational, natural, verifiable and leading to harmony. The process of value education has to be a process of self-exploration, rather than being prescriptive.

The basic aspiration of a human being is continuity of happiness and prosperity. To fulfil this, three things are required in order of priority: right understanding, relationship and physical facility, and one cannot be substituted for the other.

Human consciousness is living with continuous happiness and prosperity by ensuring right understanding, fulfilment in relationship and physical facility in the correct priority. Holistic development is the transformation from animal consciousness to human consciousness. Education-sanskar has the most significant role to play in this transformation.



Process of Value Education – Self-exploration

Human Values can be understood by an appropriate process of self-discovery, because they are potentially there in each and every human being. There is already a natural acceptance for values in a human being. It is only that we have to discover them or become aware of them. Thus, the process for Value Education has to be that of self-exploration, and not of giving sermons or telling dos & don'ts. Whatever is found as truth or reality may be stated as a proposal and every student is to be encouraged to verify it on his/her own right.

You can check if you want to be able to decide on your own right or you want somebody else to decide for you? This somebody may be a group of people; it may be the society or the education system, etc. If you are not able to decide on your own right then:

- Someone else is programming you (deciding what is valuable and what is not valuable for you)
- Unconsciously you keep accepting those things as values
- You get busy with how to implement them, how to realise them and materialise them

This process of Self-exploration has to be in the form of a dialogue – a dialogue between the teacher and student to begin with; and finally, within the student – between ‘what I am’ and ‘what I really want to be’, which is the innate natural acceptance.

What is Self-exploration?

It is a process of seeing the reality on our own right, by our own investigation, observation and analysis. Through this process, we are trying to understand the reality that exists and our participation with it; this participation is what we are calling values.

The first step is to verify the given proposal on your own right, by referring it to your ‘natural acceptance’. If the proposal is naturally acceptable to you, it is right for you. If it is not naturally acceptable to you, it is not right for you.

Further, self-exploration is a process of dialogue. To begin with, it is initiated as a dialogue between us and you. This course systematically presents a series of proposals for your exploration. As you explore, you try to verify the proposals and start asking these questions to yourself. Then, it turns into a dialogue within your own Self.

The Dialogue Within

It is a dialogue between “what I am” and “what is naturally acceptable to me”.

“What I am” has to do with my desires, my thoughts, my expectations; all that is going on in my imagination. It includes the way I feel, the way I think, how I make decisions, what I expect from others and all that. It is my current competence on the basis of which I live.

“What is naturally acceptable to me” is what I really want to be, that is my natural acceptance. It is my intention. It is a basic reference which is a part and parcel of every human being. We may or may not be referring to it at present, but it is always there.

When we are in harmony within, we are in state of happiness. When we are in a state of contradiction within, we are in the state of unhappiness.

Therefore:

Happiness is to be in a state of harmony.

Unhappiness is to be forced to be in a state of contradiction.

We don't want to be in contradiction, so whenever there is contradiction, we want to run away from it; but if we cannot run away, and if we are forced to be in that state, we call it unhappiness.

It is possible for each one of us to do this self-exploration. The dialogue within constitutes the major part of it. Through this, we:



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1. Discover our natural acceptance
2. Become aware of “what I am”
3. Can make effort to ensure harmony and happiness within by ensuring that “what I am” is in line with my natural acceptance.

The Content for Self-exploration

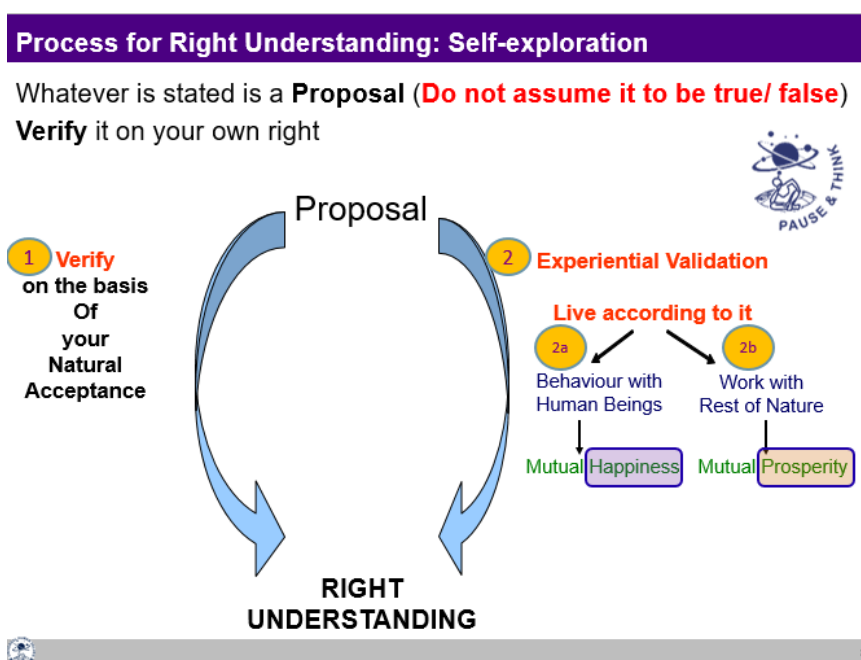
The content for self-exploration has two sub-parts:

- a) Desire: What is our basic aspiration?
- b) Program: What is the way to fulfil this basic aspiration?

If we are able to get the answer to these two things, practically all our questions are answered

The Process of Self-exploration

Whatever is stated here is a proposal; do not assume it to be true or false, right or wrong. Verify it – verify it on your own right, on the basis of your natural acceptance. This is the first part of the process.



The second part of self-exploration is experiential validation. It means trying to live according to the proposal. In living, there are two parts – one is the behaviour with other human beings and the second is work with rest of nature. When we are behaving with human being on the basis of this proposal, we want to verify whether it leads to mutual happiness or not. If it leads to mutual happiness, it is a right proposal; if it does not lead to mutual happiness, it is not a right proposal. Similarly, when we are working with rest of nature on the basis of this proposal, we want to verify whether it leads to mutual prosperity or not. If it leads to mutual prosperity, it is a right proposal; if it does not lead to mutual prosperity, it is not a right proposal.

Understanding Natural Acceptance – the basis for Right Understanding

(Distinguishing between acceptance and natural acceptance)

Natural acceptance has to do with something fundamental, something related to our purpose, something related to our basic desires. When we ask a question related to these, we get a definite answer from our natural acceptance. For example,

- Is happiness naturally acceptable or is unhappiness naturally acceptable?
- Is it naturally acceptable to live in relationship or in opposition?
- What is naturally acceptable – to nurture your Body or to exploit it?



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For all these questions, we get a definite answer when we refer to our natural acceptance.

On the other hand, we have an acceptance for our likes and dislikes, assumptions, pre-conditionings, beliefs, world-view, perspective, etc. but these may or may not be naturally acceptable to us.

Of course, all acceptances are not wrong. Passing them through our natural acceptance will validate them and contribute to our self-confidence.

Some of the characteristics of natural acceptance are:

- *It does not change with time*
- *It does not change with place*
- *It does not change with the individual*
- *It is uncorrupted by likes and dislikes or assumptions or beliefs*
- *It is innate, a part and parcel of our being; we don't need to create it*
- *It is definite*

As we refer to our natural acceptance, we become self-referential.

To conclude, the complete process of self-exploration yields right understanding as the tangible outcome.

Right understanding obtained through self-exploration can be recognised as follows:

- a. It is assuring
- b. It is satisfying
- c. It is universal
 - i. Time: It holds good for all time – past, present and future
 - ii. Space: It is the same at all places or locations
 - iii. Individual: It is the same for every human being

In case the outcome of self-exploration does not fulfil any of the above three criteria, it means that it is not the right understanding. It could be a pre-conditioning or we have made a mistake in looking into our natural acceptance and so, we need to continue exploring.

Self-exploration ultimately results in right understanding of the entire existence, i.e. “realisation of co-existence”, “understanding of harmony” and “contemplation of relationship”.

Key Takeaways

Self-exploration is a process of seeing the reality on our own right, by our own investigation, observation and analysis. It is a process of dialogue between “what I am” and “what is naturally acceptable to me”. It includes verifying the proposals on the basis of natural acceptance (which is not the same as acceptance) and validating experientially in living.



Exploring the Meaning of Happiness and Prosperity

As stated earlier, the proposal for happiness is:

“The state or situation, in which I live, if there is harmony / synergy in it, it is Naturally Acceptable to me to be in that state / situation”.

“To be in a state / situation which is Naturally Acceptable is Happiness”.

i.e. “To be in a state of Harmony / Synergy is Happiness”.

i.e. Happiness = Harmony.

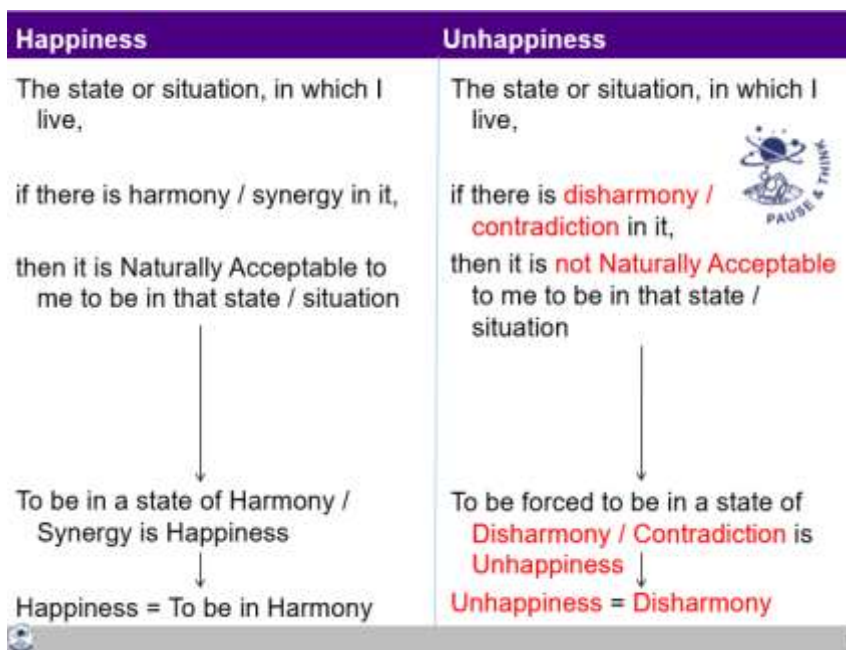
Some exploration will show that when we are in a state of harmony within, we feel happy because that state is naturally acceptable to us. When we are in a situation with the outside world in which there is harmony, we feel happy as the feeling of being in that situation is naturally acceptable to us. This state or situation of being in line with natural acceptance is happiness. Similarly,

“The state or situation, in which I live, if there is disharmony / contradiction in it, it is not Naturally Acceptable to me to be in that state / situation”.

“To be forced to be in a state / situation which is not Naturally Acceptable is Unhappiness”.

i.e. “To be forced to be in a state of Disharmony / Contradiction is Unhappiness”.

i.e. Unhappiness = Disharmony.



Is Happiness the same as Excitement?

The question is whether the feeling that we get is happiness or something else.

- What we get from the favourable sensation = happiness?
- Is the favourable feeling we get from the other = happiness?

What we get in both cases is a sort of momentary happiness. This is what is called as excitement. There is confusion between excitement and happiness (a harmonious state within). Excitement is short lived, not sustainable, while a harmonious state within is something which can be continuous and sustainable.

Exploring the Meaning of Prosperity

Prosperity is the feeling of having more than required physical facility.



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There are two basic requirements:

1. Right assessment of the need for physical facility, along with its required quantity.
2. Ensuring the availability/production of more than required physical facility.

We can have a feeling of prosperity only if we are able to do the right assessment of our physical needs. The right assessment of physical needs, along with their required quantity, will come through right understanding. Without that right assessment, the feeling of prosperity cannot be assured, regardless of the availability or accumulation of physical facility that we may have been able to do.

Just assessing the need is not enough. We need to ensure the availability or production of more than the required quantity. This requires skills, technology and production. With both of these, right assessment and availability, we have more than required physical facility. Over and above that, it is a matter of feeling that we have more than enough.

When you have a feeling of prosperity, you will naturally think of nurturing and enriching others. On the other hand, if we feel deprived then we think of exploiting and depriving others.

**Prosperity = The feeling of having / producing
more than required Physical Facility**

समृद्धि = आवश्यक सुविधा से अधिक की उपलब्धि/ उत्पादन का भाव

Prosperity and Possession of Wealth are two different things



Prevailing Notions of Prosperity

By and large, there is confusion between accumulation of physical facility and the feeling of prosperity. It is generally assumed that the richer you are, the more prosperous you are, i.e. the more you have accumulated, the more prosperous you are. With this sort of assumption, we pursue prosperity with an obsession for profit, for accumulation. That is happening all around. The major focus in the society today is on accumulation of physical facility. In particular, there is a major focus on accumulating money.

Today, most of the wealth (money) in the world is owned by a very tiny percentage of people. Many such people are seen exploiting others, and exploiting the Earth, in an effort to accumulate even more. Without clarity about how much is required, the effort is for an unlimited quantity of physical facility, and by almost any means. First the efforts may be by legal means, and then slip to even illegal means. This is all because the quantity required is undefined and there is a feeling of deprivation!

Program for Continuity of Happiness

The expanse of our living is at the following four levels:

1. As an Individual human being
2. As a member of a family
3. As a member of society
4. As a unit in nature/existence

We are living with all this expanse of our being, at these four levels; of course, we may or may not be aware of it.



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Therefore, the programme for ensuring the continuity of happiness is:

- | | | |
|--|---|--|
| To understand the harmony
and
To live in harmony | } | at all levels of being:
1. At the level of the individual human being
2. At the level of family
3. At the level of society and
4. At the level of nature/existence |
|--|---|--|

Key Takeaways

Happiness is to be in a state of harmony. The expanse of our living is at four levels (individual human being, family, society and nature/existence), and thus the program for continuity of happiness is to be in harmony at all these levels. Prosperity is the feeling of having more than required physical facility.

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Universal Human Values Handout 2 of 5 Understanding Harmony in the Human Being



Now we will start exploring the four levels of living of a human being, starting from the level of individual.

Understanding the Human Being (As Co-existence of Self and Body)

We are human beings; and we need to first understand ourselves.

So, what is a human being? The proposal is that human being is co-existence of the Self and the Body. Self is what we term as 'I' and Body is what we see with our eyes.

To understand the two realities, we can start by looking at the needs, activities and response of the Self and the Body.

Human Being मानव	Self मैं	Co-existence सहअस्तित्व	Body शरीर
Need आवश्यकता	Happiness (e.g. Respect) सुख (जैसे सम्मान)		Physical Facility (e.g. Food) सुविधा (जैसे भोजन)
In Time काल में	Continuous निरंतर		Temporary सामयिक
In Quantity मात्रा में	Qualitative (is Feeling) गुणात्मक (भाव है)		Quantitative (Required in Limited Quantity) मात्रात्मक (सीमित मात्रा में)
Fulfilled By पूर्ति के लिए	Right Understanding & Right Feeling सही समझ, सही भाव		Physio-chemical Things भौतिक-रासायनिक वस्तु
Activity क्रिया	Desire, Thought, Expectation... इच्छा, विचार, आशा...		Eating, Walking... खाना, चलना...
In Time काल में	Continuous निरंतर		Temporary सामयिक
Response	Knowing, Assuming*, Recognising, Fulfilling जानना, मानना, पहचानना, निर्वाह करना		Recognising, Fulfilling पहचानना, निर्वाह करना

* Assuming or Accepting

The Needs of the Self and the Body

The need of the Self is happiness (e.g. feeling of respect leading to happiness) while the need of the Body is physical facility (e.g. food). All the needs related to the Self are continuous in time while all the needs related to the Body are required for a limited time. This is one way we can differentiate between the need of the Self and the need of the Body.

The other way to see the difference between the two is in terms of quantity and quality. The need for food is quantitative in nature. We can identify the quantity of the food needed to nurture our body. Same is the case with the need of clothes, shelter, etc. On the other hand, the feeling of respect, trust, etc. is not quantitative. We don't say, 'today I got half kg of respect' or 'two metres of trust'. These feelings are qualitative in nature.

Now, let us see how these two different types of needs are fulfilled. The need for food is fulfilled by something physical. But when it comes to the need for respect, it is fulfilled by the feeling of respect. All the needs related to the Body are fulfilled by some physio-chemical things. All the needs related to the Self are in terms of feeling, and they are fulfilled by right understanding and right feeling.

The Activities of the Self and the Body

The Self has the activity of desire, thought and expectation which are continuous. On the other hand, any activity of the Body, like eating, walking, etc. is temporary in time.



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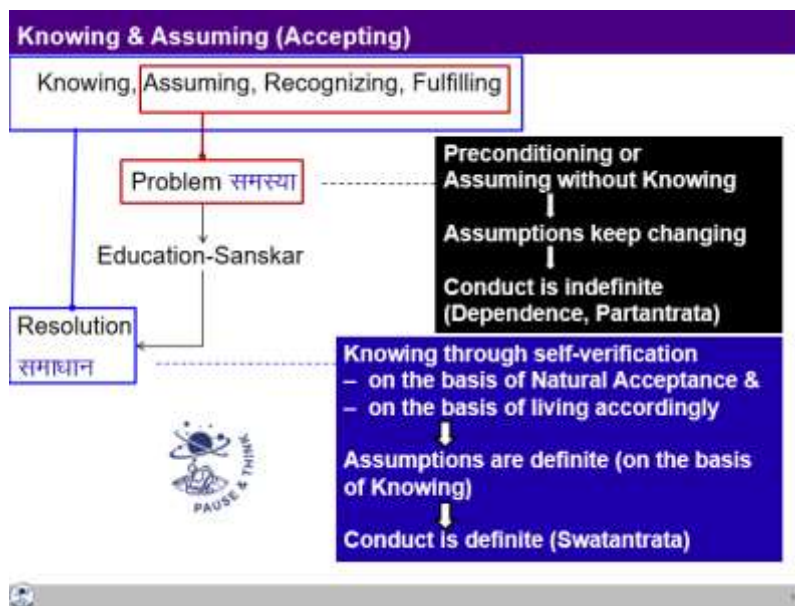
Understanding Harmony in the Human Being



The Response of the Self and the Body

The response of the Body is based on recognizing and fulfilling whereas the response of the Self is based on knowing, assuming, recognizing and fulfilling. The recognition and fulfilment of the Body is definite, while that of Self is determined by the activity of assuming. As assumption changes, the recognition and fulfilment by the Self also changes. The conduct of the human being basically depends upon the response of the Self, as all decisions are made by the Self. Only with the assumptions set right, i.e. assuming based on knowing (which is definite), can recognising and fulfilling be set right; and only then, the conduct can become definite.

All the problems of a human being are due to assumptions without knowing, and the solution lies in ensuring the activity of knowing. And this is possible only through education-sanskar.



The Self as the Consciousness Entity, the Body as the Material Entity

The Self and the Body are two different types of reality. The Self is the domain of consciousness, which is characterised by the activity of knowing, assuming, recognising and fulfilling. The Body is the domain of material and it only has the activity of recognising and fulfilling.

Happiness is the need of the consciousness and it is fulfilled by right understanding and right feeling, which are activities of the consciousness itself. The Body is a material unit, its needs are material in nature and they are fulfilled by physio-chemical things.

To understand the human being, both the domain of consciousness as well as the domain of material needs to be understood. For human being to be fulfilled, both domains need to be fulfilled separately.

Key Takeaways

Human being is co-existence of the Self (Consciousness) and the Body (Material). This can be seen on the basis of exploring into the need, fulfilment of need, activity and response of the Self and the Body. In particular, the response of the body is definite while the response of the self depends on assuming. With assuming based on knowing, the conduct of a human being gets definite, otherwise it is indefinite.

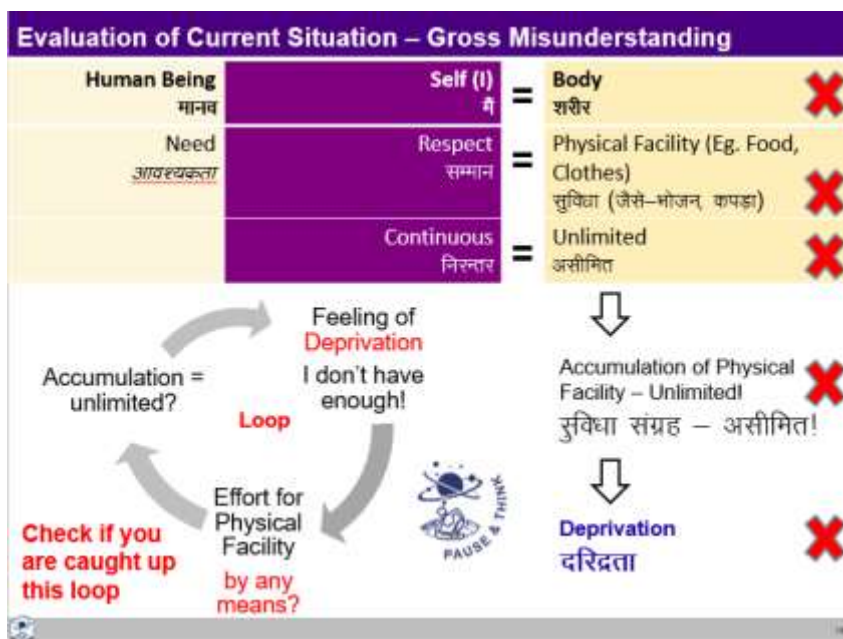
Gross Misunderstanding – Assuming Human Being to be only the Body

The gross misunderstanding is assuming the human being to be the Body; and therefore, trying to fulfil all the needs through physical facility.



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Understanding Harmony in the Human Being



It is needless to say that due to over-use of physical facility, there are widespread repercussions at every level of human existence. On the one hand, there is exploitation of natural resources for more and more physical facility. On the other hand, human beings are exploited in the process and also, they are made to compete for the limited physical facility.

The Way Ahead

The only way to come out of this misunderstanding is to understand the human being as it is. The Self has to be understood as a conscious entity and Body as a material entity. Their needs are different, activities are different, response is different and basically, they are two different entities co-existing as a human being.

Key Takeaways

The needs of the Self and the Body are of two different types, so they have to be fulfilled separately. A gross misunderstanding is to assume the two to be the same, and this leads to the feeling of deprivation and exploitation.



Understanding Harmony in the Self

Now we will explore into the activities of the Self and see how harmony can be ensured among all the activities of the Self, resulting into a state of continuous happiness.

Activities of the Self

The activities of the Self can be seen in terms of desire, thought and expectation.

Desire is the name given to the activity of imaging. You are making an image in the Self. Desire is in the form of an image which you have created within. Thought is the power for the activity of analysing based on comparing various possibilities to fulfil your desire. Expectation is the power for the activity of selecting based on tasting.

Activities of the Self are Continuous

These powers of desire, thought and expectation are inexhaustible, and the activities are continuous. The activities of imaging, analyzing-comparing and selecting-tasting are always going on, whether we are aware of them or not.

These Activities Together Constitute Imagination

These activities are together called imagination. We may not immediately be able to observe our desire, thought and expectation distinctly, but it may be easier to see that something is going on within. One imagination or the other is going on in us all the time.

Happiness and unhappiness depend on the state of imagination. If your imagination is in harmony with your natural acceptance, you are in a state of happiness. When it is in contradiction with your natural acceptance, you are in a state of unhappiness.

Imagination is expressed to the world outside, in terms of behaviour with human being and work with the rest of nature.

We have also referred to imagination as “what I am” and the natural acceptance as “what I really want to be”.

State of Imagination

Once you start looking at your imagination, you will be able to find out the state of your imagination. Your imagination could be well organised, in harmony or it could be a random mixture of harmony and contradiction.

Possible Sources of Imagination

There are three possible sources of motivation for imagination: 1. Preconditioning, 2. Sensation and 3. Natural Acceptance

A dominant source of imagination is preconditioning. Preconditioning means the beliefs, notions, norms, ideas, views, dictums, goals, etc. prevailing in the family, in the society which we have assumed without knowing. They may influence our imagination.

Another major source of our desire, our imagination is the sensation. Sensation is the information we get from the Body through the five sense organs – of sound, touch, sight, taste and smell.

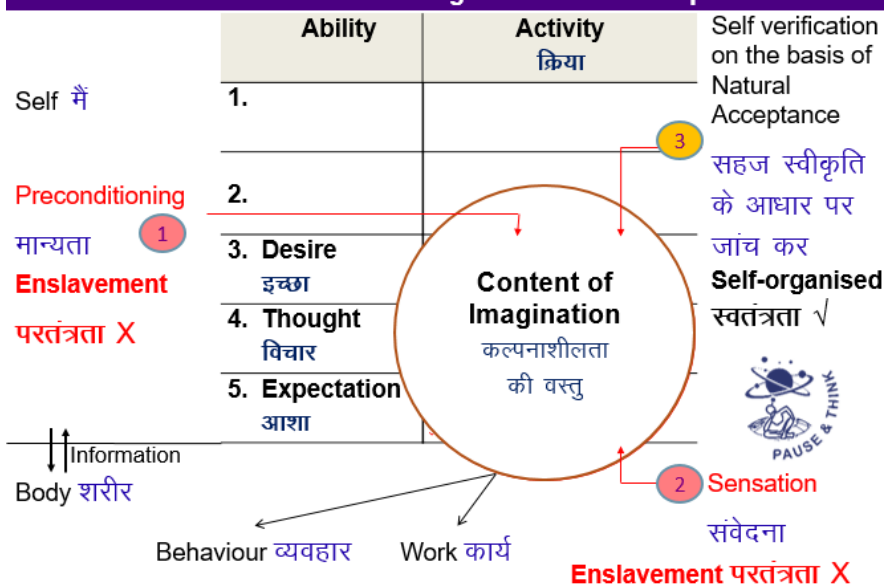


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Understanding Harmony in the Human Being



Sources of Motivation for our Imagination and its Implications



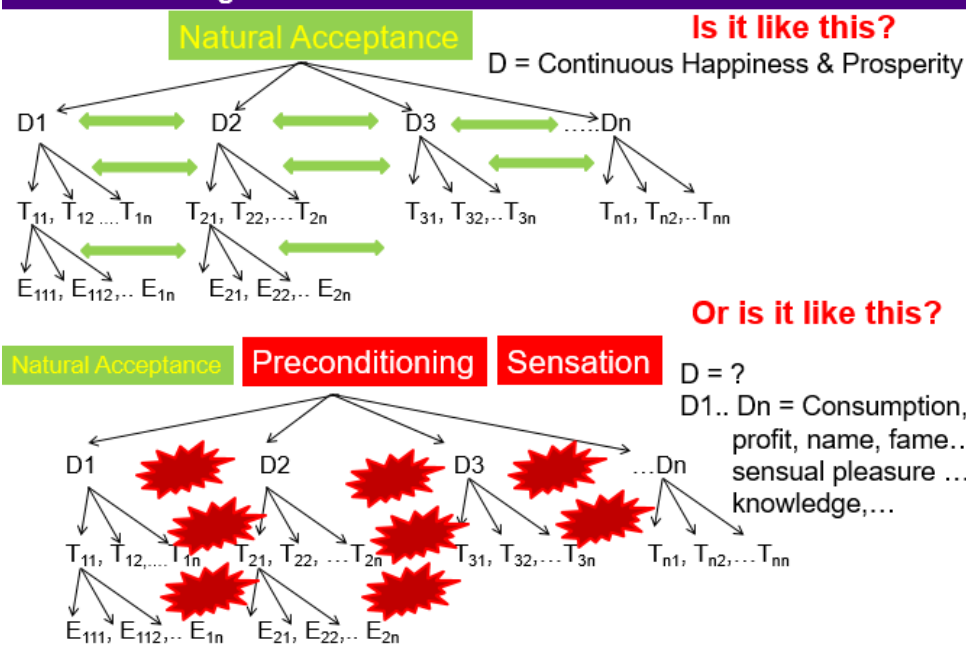
The third source of imagination is our natural acceptance. It can also be referred to as the inner voice or conscience. Self-verification on the basis of our natural acceptance can be the third possible source. It may or may not be the predominant source of motivation currently, but it can be the real source for deciding our desire, our imagination.

Consequences of Imagination from the three Sources

– Self-organisation or Enslavement?

If your imagination is motivated by preconditioning or sensation, you may or may not be in harmony with the natural acceptance. Therefore, you may be in a state of happiness within or unhappiness within. Your happiness is dependent or enslaved by your preconditioning and sensation.

Content of Imagination in the Self



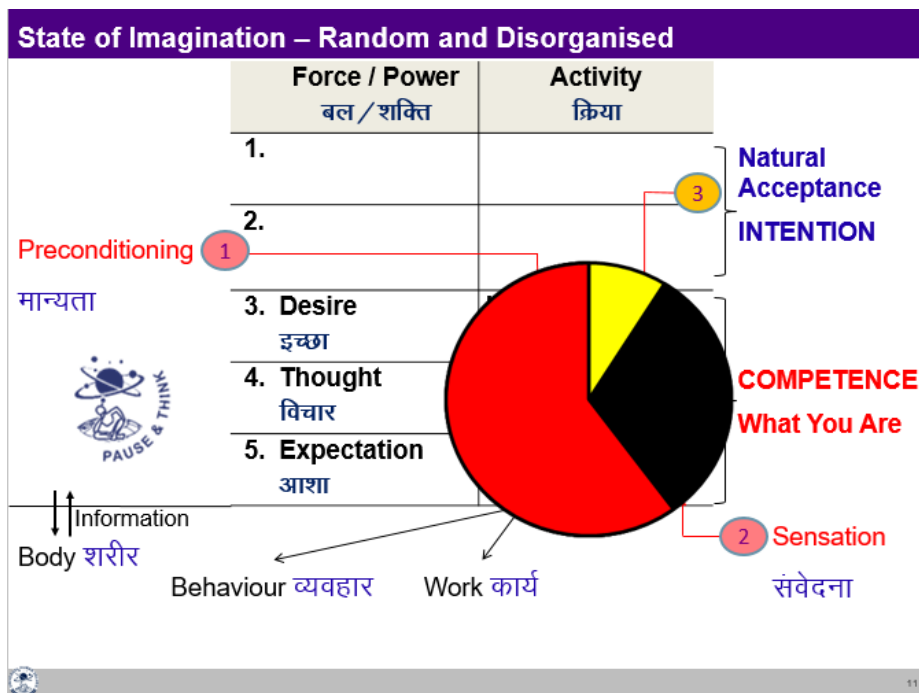


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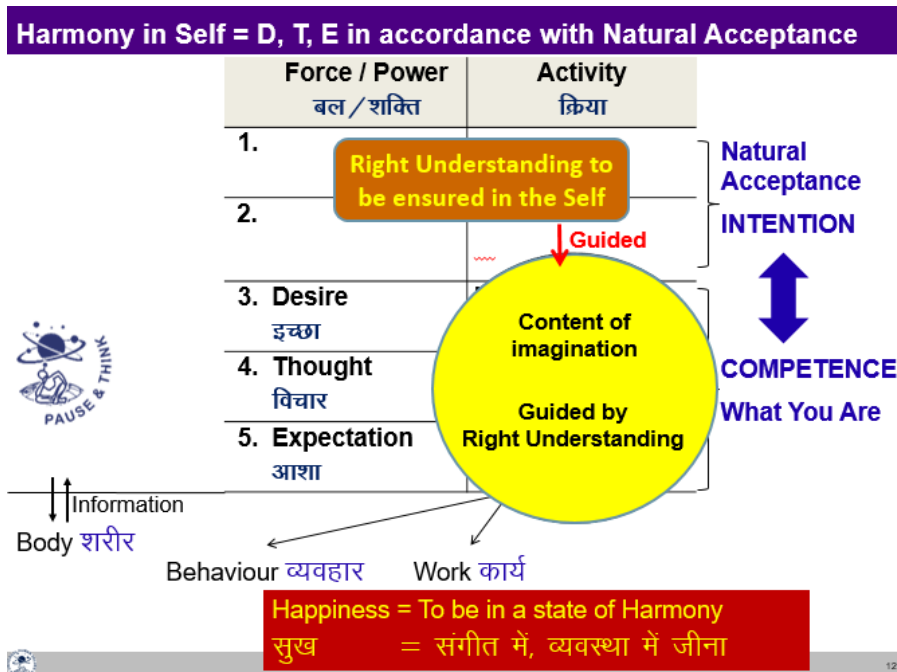
Understanding Harmony in the Human Being



And then there is a large possibility that there is contradiction in your desires, leading to contradiction in your thoughts and then expectations. In such a state of contradiction within, your imagination is enough to keep you unhappy all the time.



There is a possibility that a large share of your imagination is enslaved by preconditionings and sensations, while a very small share is guided by your natural acceptance. One thing to note here is that sensation is not an enslavement in itself. Through sensation only, the Self is able to take proper care of the Body. But problem arises when you try to associate happiness with favourable sensations. Similarly, there could be some preconditioning which may also be right. But unless you verify it, and validate in your living, it is just like an enslavement. And this leads to unhappiness.





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Understanding Harmony in the Human Being



If your imagination is guided by your natural acceptance, you are sure to be in harmony and happiness within. You are self-organized.

The Way Ahead

– Ensuring Harmony in the Self by way of Self-exploration

To achieve this harmony in the Self, we need to start self-exploration. In the process, we need to:

- Know our natural acceptance
- Be aware of our imagination
- Find out the source of imagination
- Work out a way to sort out our imagination till it is fully in line with our natural acceptance

When the imagination is in harmony with the natural acceptance, there is harmony in the Self. This harmony is happiness.

Key Takeaways

The activities of desire, thought and expectation are together called imagination. Imagination is continuously going on in the Self. The sources of imagination can be sensation, pre-conditioning or natural acceptance. There is harmony in the Self when the imagination is in line with one's natural acceptance. Harmony in the Self is in continuity when all the activities of the Self are awakened.



Understanding Harmony of the Self with the Body

In this lecture, we will discuss the harmony of the Self with the Body, and try to understand self-regulation and health.

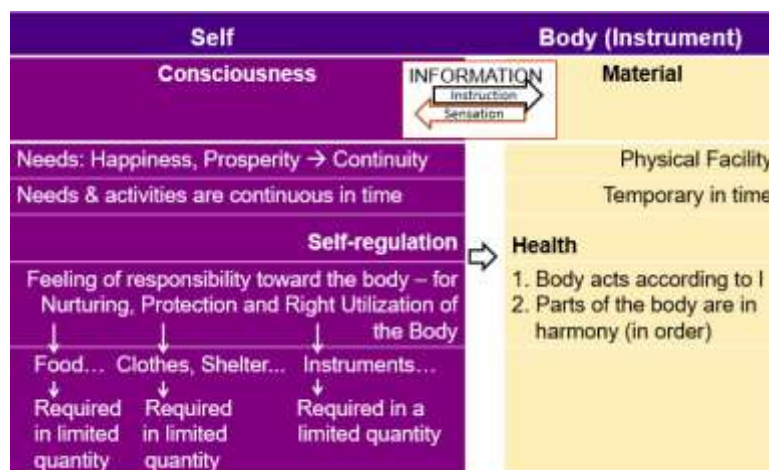
The Body as a Self-organised System

The Body is a wonderful self-organised system. It has so many parts. Each part co-exists in harmony with every other part. The eyes are well connected to the brain; the mouth, the stomach and the whole digestive system is synchronized and so it is for every organ, every cell of the Body – and you have to do nothing to make these connections or to synchronize the various parts or to deal with every cell.

Harmony of the Self with the Body: Self-regulation and Health

As we discussed in lecture 9, the Body is an instrument of the Self. The responsibility of the Self towards the Body is in terms of nurturing, protecting and rightly utilizing the Body. Nurturing the Body is by providing appropriate air, water, food, sunlight, etc. Protection is to ensure the continuity of the body which includes safeguarding from unfavorable conditions. Right utilization would mean using the Body for the purpose of the Self. This feeling of responsibility towards the Body is called as the feeling of **self-regulation**, and a natural outcome of it is **health**.

Feeling of self-regulation = the feeling of responsibility in the self towards the Body – for nurturing, protection and right utilization of the Body.



Indicators of a healthy body:

- The Body is healthy if it is able to perform as per the instructions of the Self.
- Different parts of the Body are in harmony amongst each other, they are in order.

The feeling of self-regulation in the Self is primary. Health in the Body is a natural consequence.

When the Self has the feeling of self-regulation and there is health in the Body, there is harmony of the Self with the Body.



Appraisal of the Current Status

Over the last 100 years or so, there have been significant improvements in terms of longer life-spans, in dealing with communicable diseases and trauma, but yet, ensuring health remains a question mark¹. The problem is in the wrong assumptions, one of which is that human being is the Body. With this assumption, happiness is sought through favorable sensation through the Body. Further, the assumption that we will get happiness from sensation through the consumption of physical facility has led to a high demand for it. Most of the present-day disorders are psycho-somatic in nature. ‘Psycho’ has to do with the Self and ‘Somatic’ has to do with the Body. Disharmony in the Self causes disharmony in the Body causing psycho-somatic problems. These effects are very prominent when the individual is living with the assumption “I am the Body”.

The Way Ahead

There is a need to understand human being as it is (as co-existence of Self and Body). The significant part is having the feeling of self-regulation in the Self. This can happen only when the Self is in harmony, i.e. there is right understanding and right feeling in the Self. With a feeling of self-regulation, the Self will naturally nurture, protect and rightly utilize the Body, resulting in health of the Body.

Key Takeaways

The Body is an instrument of the Self. Harmony of the Self with the Body is ensured when Self has the feeling of self-regulation and there is health in the Body.

Programme for Self-regulation and Health

As we discussed earlier, feeling of self-regulation is the feeling of responsibility in the Self for nurturing, protection and right utilization of the Body. We can now detail it further:

Nurturing the Body

Nurturing means providing the necessary inputs to the Body. The right inputs nurture the Body, without disturbing its harmony.

The programme for nurturing and maintaining health of the Body includes the following:

- | | |
|--|---------------------------------|
| 1a. Intake | 1b. Routine |
| 2a. Physical Labour | 2b. Exercise |
| 3a. Balancing internal and external organs of body | 3b. Balancing breathing of body |
| 4a. Medicine | 4b. Treatment |

1a. The first part is the intake, all that the Body takes in. It includes the air it breathes, the water it drinks, the sunlight it absorbs, the food given to it and so on.

1b. A regular routine is required in order to keep the Body healthy, like ensuring a proper programme for sleeping, waking up, cleaning the Body, eating, doing physical work, etc.

2a. The Body needs adequate movement to maintain health. Labour is the work on the rest of nature. Few hours of labour a day provides sufficient body movements to keep the Body in good health. It also ensures production of physical facility.

A lifestyle which includes appropriate intake, routine and labour, would be generally sufficient to keep the Body in good health. However, if we are unable to do that, or in spite of this effort, there is some

¹ Please refer to latest health data available from sources like the World Health Organisation (<https://www.who.int/>)



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disharmony in the Body, there are some more aspects of the programme for self-regulation and health, below.

2b. If one is not able to labor, s(he) can do exercises for proper upkeep of the Body.

3a. There is a need for keeping the internal as well as the external organs in harmony by appropriate means like postures, movements etc.

3b. Breathing is a significant activity for the Body. Balancing the breathing of body is necessary, through appropriate breathing exercises.

For the most part, health of the Body can be maintained by these three (1a, 1b, 2a, 2b, 3a and 3b). Despite these, if there is some problem in the health of the Body then we take medicine and ultimately, we also take treatment when all this does not work.

4a. The Body is self-organised and naturally in harmony. It is able to recover itself from many disturbances. But if due to some reasons it runs into disharmony, medicine is helpful in taking care of lifestyle disorders, non-communicable illnesses as well as communicable diseases.

4b. In the event the Body is not in a state to recover itself back to a state of harmony, there is a need for treatment.

Protecting the Body

Providing a conducive physical environment includes clothing, shelter etc. is all a part of protection of the Body.

Right Utilisation of the Body

Right utilization of the Body would mean that it is used in the process of fulfilling human aspiration, which is basically the need of the Self. If one is using the Body in the process of fulfilling the needs of the Self, it is right utilization of the Body. It would include work with rest of nature to produce physical facility required for the Body.

Revisiting Prosperity in the Light of the Harmony between the Self and the Body

The need for the physical facility is essentially related to fulfillment of this feeling of responsibility towards the Body, i.e. we need physical facility for nurturing the Body (food...), for protecting the Body (clothes, shelter...) and for rightly utilizing the Body (instruments...) and that's it. And if we can see this clearly, we can also see that the physical facility required to ensure each one of them is required in limited quantity. Hence, prosperity is very much possible.

As an exercise, one can list all the physical facilities required for these three purposes, and see whether they are limited. Next, one can assess the available facilities, and see if they are more than required. If not, then how much more will be required can be worked out. This will clearly give a vision for ensuring prosperity.

My Participation (Value) regarding Self and my Body

My participation (value) with my Body is:

- Ensuring a feeling of self-regulation in the Self
- Ensuring the nurturing, protection and right utilisation of the Body
- Ensuring the production / availability of more than required physical facility for the above

By ensuring these three, the Body continues to be in harmony, it remains healthy. And one also has the feeling of prosperity.



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Understanding Harmony in the Human Being



Key Takeaways

When the Self has a feeling of self-regulation (the responsibility for nurturing, protection and right utilisation of the Body), and it is able to fulfil this responsibility, the Body is in harmony (good health). This feeling of self-regulation is instrumental in identifying the need for physical facility and ensuring prosperity.

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Understanding Harmony in the Family



Every human being is born in a family and is part of a family. The family is the basic unit or building block of human organisation. It provides a base for appreciating, accepting, understanding and practicing to live in relationship and harmony (order).

Feeling of Relationship as the Basis for Harmony in the Family

The harmony in the family has primarily to do with the fulfilment of relationship between one human being and the other human being. In order to fulfil relationship, it is necessary to understand relationship.

Understanding Relationship

We will now explore into the four important aspects of relationship:

1. Relationship is – between one Self (I_1) and another Self (I_2)
2. There are feelings in relationship – in one Self (I_1) for the other Self (I_2)
3. These feelings can be recognised – they are definite
4. The fulfilment of these feelings and their right evaluation lead to mutual happiness

1. Relationship is – between one Self (I_1) and another Self (I_2)

Relationship is already there. We do not have to construct or create relationship. All we need to do is to understand relationship and fulfil it.

Relationship is between one Self and the other Self. It is the Self which is recognizing the relationship, and not the Body. It is the Self which relates to the other, and not the Body.

2. There are feelings in relationship – in one Self (I_1) for the other Self (I_2)

The important issue in human relationship is that of the feelings. We can see that feelings are in the Self, not in the Body. It is the Self which has the feelings and which recognises the feelings. To understand relationship, one has to understand the Self and the naturally acceptable feelings in the Self.

3. These feelings can be recognised – they are definite

These feelings can be recognised, they are definite. There are nine feelings in relationship. These are the feelings which we can understand, which we can ensure within ourselves, which we can share with others and thus ensure mutual fulfilment in relationship. These are the feelings which are naturally acceptable to us in the relationship with the other human being.

Feelings (values) in relationship:

1. Trust (foundation value)
2. Respect
3. Affection
4. Care
5. Guidance
6. Reverence
7. Glory
8. Gratitude
9. Love (complete value)

4. Fulfilment of feelings in relationship and their evaluation leads to mutual happiness

When we have these naturally acceptable feelings in the Self, we share them with the other and when we are both able to evaluate the feelings rightly, it leads to mutual happiness, i.e. the happiness of oneself as well as the happiness of the other.



Appraisal of the Current Status

The problem today is that we assume ourselves to be the Body and we assume the relationship on the basis of the Body (and not the feelings). We, therefore, fail to understand relationship and consequently, we fail to fulfil it, despite all our good intentions. The problems are due to absence of one or more of the right feelings in the Self. And we try to make up this gap by physical facility or by trying to demand these feelings from others, rather than ensuring these feelings in ourselves and sharing it with others.

The Way Ahead

First, we need to rightly recognize the relationship, identify the naturally acceptable feelings in relationship, understand these feelings and ensure that these feelings are there in us. This will ensure happiness in us. Secondly, we have to share these feelings with the other. Because this is naturally acceptable to the other as well, it will lead to happiness in the other also. Thus, it will lead to mutual happiness. And that is how the fulfilment in relationship takes place.

Key Takeaways

Relationship already exists – we don't have to create it; rather we only have to recognise and fulfil it. The family is the basic unit of human-human interaction. The basic issue in family is that of relationship. In relationship, there are nine feelings (values) that can be clearly understood and lived with. There is harmony in the family, mutual happiness in the family, when we understand the feelings and ensure in our living.



'Trust' – the Foundational Value in Relationship

Now we will explore the first feeling, which is the foundational feeling (value) in relationship.

Feeling of Trust

Trust is to be assured that the other intends to make me happy and prosperous.

In order to understand trust, examine these eight statements:

- | | |
|--|---|
| 1a. Do I want to make myself happy? | 1b. Am I able to make myself always happy? |
| 2a. Do I want to make the other happy? | 2b. Am I able to make the other always happy? |
| 3a. Does the other want to make himself/herself happy? | 3b. Is the other able to make himself/herself always happy? |
| 4a. Does the other want to make me happy? | 4b. Is the other able to make me always happy? |

Intention (Natural Acceptance)

What is the answer?

Competence

What is the answer?

The questions 1a to 4a relate to natural acceptance, the intention. Questions 1b to 4b relate to the competence, the ability. By and large, as far as the statements about the intention, i.e. natural acceptance, are concerned, there is a tick mark in 1a, 2a and 3a, and there is a question mark in 4a. When we look at the competence, at the ability, there is a question mark, right from the beginning – there is a question mark on 1b, 2b, 3b; on 4b there is a big question mark.

Evaluating Trust – Between 2 Individuals	
About your Natural Acceptance	About your Ability
1a. I want to make myself happy ✓	1b. I am able to make myself always happy ?
2a. I want to make the other happy ✓	2b. I am able to make the other always happy ?
3a. The other wants to make herself/himself happy ✓	3b. The other is able to make herself/himself always happy ?
4a. The other wants to make me happy ?	4b. The other is able to make me always happy ??
Intention – Natural Acceptance	Competence
What is Naturally Acceptable to You	What You Are (Σ D, T, E)

Distinguishing between Intention and Competence

Now if you try to analyse your own responses, many things will get clarified. You'll find that while evaluating yourself, you evaluate on the basis of your intention (natural acceptance). You think that you are a good person as your intentions are good. On the other hand, when you evaluate the other, you evaluate him on the basis of his/her competence. You find that s(he) is



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Understanding Harmony in the Family



not able to make you happy all the time. Many times, or most of the time he ends up making you unhappy. Therefore, you think that the other wants to make you unhappy. You have a doubt on other's intention.

On the basis of lack of competence, we conclude about the lack of intention of the other. When we doubt their intention, instead of accepting the other as a relative, we have a feeling of opposition. This is the common mistake that we make in relationship today.

Now that we have clarity about intention and competence, explore this question:

If you have unconditional, continuous trust on intention, on the natural acceptance of the other and if the other is lacking competence, what will you do?

- Try to improve upon his competence
- Get irritated
- Get angry
- Have a feeling of opposition

The answer is obviously (a). It is a response which indicates trust on intention. All other answers are reactions based on doubt on intention.

Now with these indicators, find out how many people are there in your life on whom you have trust on intention (natural acceptance) which is unconditional and continuous.

Generally, we don't see intention and competence separately. Since competence is generally lacking, the feeling of unconditional acceptance is almost completely missing; rather there is a feeling of opposition. With that, we reinforce wrong assumptions like:

- Strangers can't be trusted (?)
- Trust is developed over a long-time (?)
- Never trust anyone (?)

Trust: To have the clarity that the other intends to make me happy	
About your Natural Acceptance	About your Ability
1a. I want to make myself happy ✓	1b. I am able to make myself always happy ?
2a. I want to make the other happy ✓	2b. I am able to make the other always happy ?
3a. The other wants to make herself/himself happy ✓	3b. The other is able to make herself/himself always happy ?
4a. The other wants to make me happy ✓	4b. The other is able to make me always happy ??
Intention – Natural Acceptance	Competence
What is Naturally Acceptable to You	What You Are (Σ D, T, E)

Thus, if we are able to see intention and competence distinctly, we will be able to place a tick mark in 4a. We will be assured of the intention of the other human being. And with that, we will make a programme of interaction with right evaluation of our competence and their competence (so, this is not 'blind' trust).



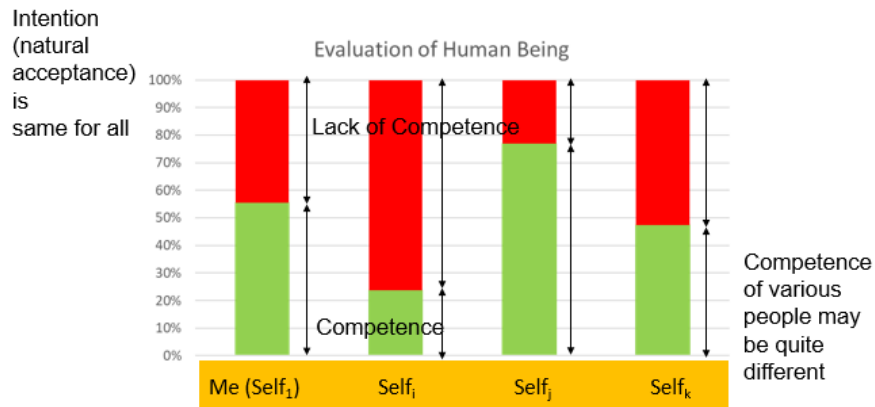
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With the feeling of trust, one is able to see it clearly that the intention is same for all, to be happy and make other happy. The only difference lies in the level of competence.

Trust



Take-away:

Trust on Intention (Natural Acceptance)

I am able to see that

**the other has a natural acceptance (intention) to make me happy
s(he) may or may not have the competence to do so**



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Key Takeaways

Trust is to be assured that the other has a natural acceptance (intention) to make me happy and prosperous. Trust on intention is the foundation of relationship. It is the beginning of mutual development. A common mistake is to evaluate oneself on the basis of one's intention (and conclude that I am good) and the other on the basis of their lack of competence (thus doubt their intention and conclude that the other is bad).



Respect– As the Right Evaluation

Out of the nine feelings in relationship, we tried to understand the feeling of Trust. With trust on intention, the relationship starts. We will now explore the feeling of respect. Let us see, when do we feel respected? How do I respect others?

Feeling of Respect

Respect is right evaluation.

When we are rightly evaluated, we feel respected. When we are not rightly evaluated, we feel disrespected.

Disrespect can take place in three ways:

Over evaluation – evaluating for more than what it is

Under evaluation – evaluating for less than what it is

Otherwise evaluation – evaluating for other than what it is

If we look at our day-to-day behavior, we generally tend to do one of these three – over evaluation, under evaluation or otherwise evaluation. If any of these three takes place, the other person feels uncomfortable, disrespected.

Minimum Content of Respect – The Other is Similar to Me

When we evaluate the human being on the basis of Self, we are able to see that:

1. **Our purpose is the same** – As I have a natural acceptance to live with continuous happiness and prosperity, it is same with the other. So, on the basis of our natural acceptance, we have the same purpose.
2. **Our programme is same** – As my programme to achieve continuous happiness and prosperity is to understand the harmony and live in harmony at all levels of my being (from human being to the entire existence), it is same with the other. In that sense, our programme to fulfil our purpose is also same.
3. **Our potential is same** – As I am endowed with natural acceptance and the activities of desire, thought and expectation are going on continuously in me, it is the same with the other. So, our potential is also same.

Thus, we can see that **the other (Self) is similar to me**. This is the minimum content of respect for a human being.

Disrespect Arising out of Differentiation leading to Discrimination

In general, what we are doing in the name of respect today is differentiating and discriminating.

First set of differentiation is on the basis of body – on the basis of age, gender, race and physical strength. This is based on the gross misunderstanding that human being = Body. The truth is that human being = co-existence of the Self and the Body.

The second set of differentiation is made on the basis of physical facility – on the basis of wealth and post. The gross misunderstanding here is that physical facility = happiness. The truth is that happiness is to be in a state of harmony.

The third basis of differentiation is on the basis of beliefs – on the basis of different isms (thought systems like socialism, capitalism, etc.), different sects, and different sets of information prevalent in

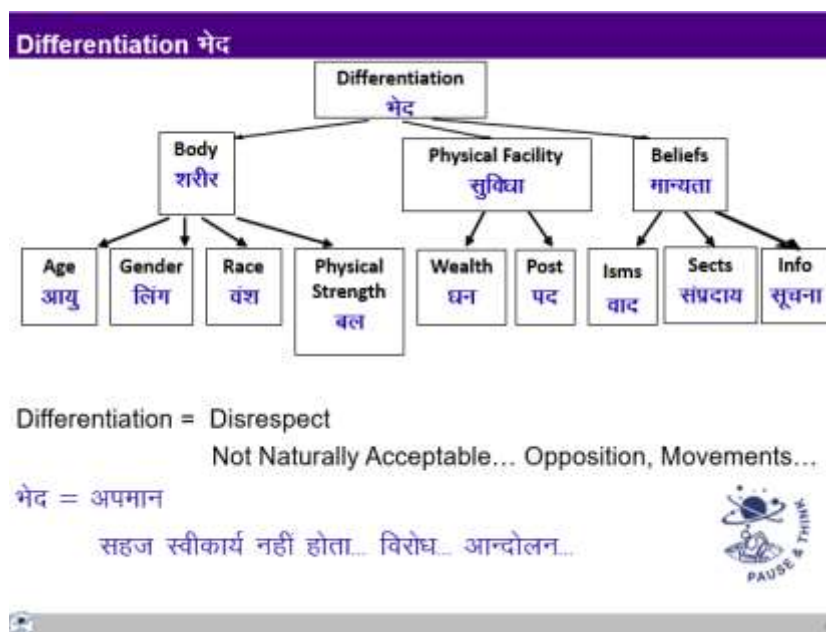


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the society. This is founded on the misunderstanding that if the pre-conditioning of the other matches with mine, then the other is respectable, otherwise not. The truth is that pre-conditioning and right understanding are two different things.



All this differentiation ultimately leads to discrimination, which is disrespect because it is not naturally acceptable.

Complete Content of Respect – We are Complementary to Each Other

At the level of the Self, only the competence could be different. Competence means how much of the potential of the Self has been realized. One Self may have realized more of its potential, while another may have realized less of its potential.

This difference in competence is to be complementary to each other (not to discriminate and exploit each other).

The complete content of respect is to be able to see that **‘the other is similar to me and we are complementary’**.

Defining one’s complementarity:

- If the other has more understanding, is more responsible than me, I’m committed to understand from the other
- If I have more understanding than the other, I’m more responsible than the other. I live with responsibility with the other, unconditionally, unperturbed by the behaviour of the other. I am committed to facilitate the understanding in the other, once the other is assured in relationship and not before that

The complete content of respect is

- **The other is similar to me in terms of purpose, programme and potential and**
- **We are complementary to each other in terms of competence**



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Understanding Harmony in the Family



Respect: Right Evaluation – on the basis of the Self

1. Purpose – Our purpose (Natural Acceptance) is same
2. Program – Our program is same
3. Potential – Our potential is same

The Other is Similar to Me

4. Competence – On the basis of right evaluation of our mutual competence, I recognise our complementarity and fulfill it:

If the other has more understanding, is more responsible than me

- I am committed to understand from the other

If I have more understanding, I am more responsible than the other

1. I live with responsibility with the other, unconditionally, unperturbed by the behaviour of the other
2. I am committed to facilitate understanding in the other (once the other is assured in relationship, and not before that)

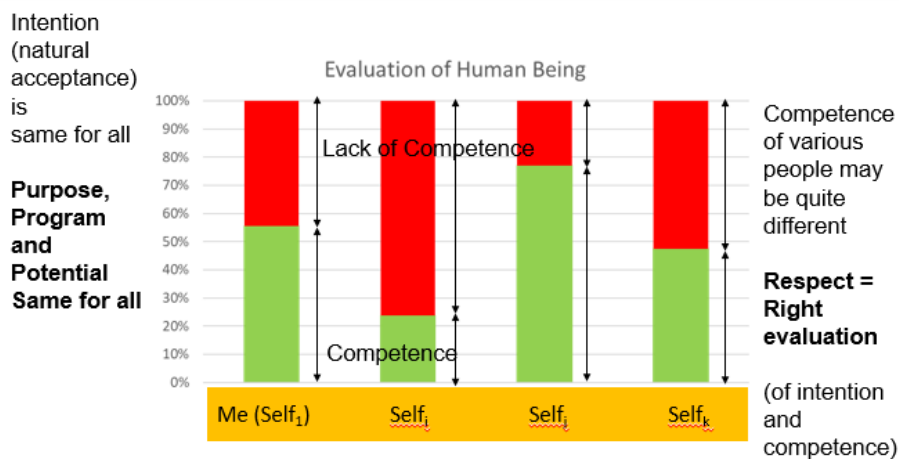
↓
COMPLETE CONTENT of RESPECT

The Other is Similar to Me. We are complementary to each other

Thus, respect is right evaluation (of intention and competence on the basis of Self). We are similar at the level of purpose, programme and potential and we are complementary at the level of competence.

Disrespect arises out of over-evaluation, under-evaluation or otherwise-evaluation; and also, out of differentiation leading to discrimination on the basis of body, physical facility or beliefs. Small incidents of disrespect can have long-lasting consequences – from not speaking to each other, to opposition, break in relationship, divorce, fights and even war.

Right Evaluation



Take-away:

The feeling of Complementarity

The Other is Similar to Me. We are complementary to each other

With the feeling of complementarity, other feelings naturally follow

With the complete understanding of respect, we can see for every individual on the earth that we all are the same in terms of intention, program and potential. The only difference may lie in the level of competence. I may be having higher level of competence in relation to one, but may be having lower level of competence in relation to another. With this evaluation, one can work out the program to be complimentary to the other.



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Understanding Harmony in the Family



All the specific characteristics at the level of Body, physical facility, belief etc. can be used to express that complementarity.

e.g. a person with greater physical strength do the heavy work

e.g. a person at a higher post can work for the development of more people and so on

Key Takeaways

Respect is right evaluation at the level of the Self. The complete content of respect is to see that the other is similar to me in terms of purpose, programme and potential; and we are complementary to each other in terms of competence.

Over evaluation, under/otherwise evaluation and discrimination are disrespect.



Other Naturally Acceptable Feelings in Relationship

In the previous three lectures, we explored the feelings of trust and respect. Now, we will discuss other feelings, and understand our participation in the family.

3. Affection

Affection is the feeling of being related to the other.

Affection is the feeling of acceptance for the other as one's relative. Lack of affection is seen in the form of opposition, jealousy, etc. The feelings of trust and respect are essential to have the feeling of affection. When we have the feelings of trust, we feel related to the other; otherwise we may feel opposed to the other.

4. Care

Care is the feeling of responsibility and commitment for nurturing and protection of the Body of my relative.

With the feeling of affection, one naturally takes the responsibility for development of the relative – both at the level of Self as well as at the level of Body. Being responsible to the Body of one's relative is Care.

5. Guidance

Guidance is the feeling of responsibility and commitment for development of Self by ensuring the right understanding and right feeling in the Self of my relative.

Being responsible to the Self of my relative is Guidance.

Generally, our focus is mostly on care because we have come to assume that human being is Body. We are not even aware of the Self. Therefore, we are not aware that we have to take care of the Self as well.

6. Reverence

Reverence is the feeling of acceptance for excellence.

Excellence is to be in a state of continuous happiness with the completeness of understanding of harmony and living in harmony at all levels. Once we achieve excellence, it continues. Excellence is something definite, something absolute.

Effort for Excellence	Effort for Competition
The other is like me	Not other – only me
We are complementary	I am different/more than the other
Feelings are based on right understanding (definite, unchanging)	Feelings are based on preconditioning (indefinite, keeps changing)
Unconditional relationship	Conditional relationship
Nurtures others	May nurture or exploit others
Helps the other to come to his level	Stops the other to come to his level - effort to accentuate the difference, to dominate, manipulate, exploit
Absolute (definite completion point)	Relative (no definite completion point)

There is a basic difference between working for excellence and competition. If you have achieved excellence, you would naturally make effort for helping others to achieve excellence. On the other hand, in competition, we not only do not help rather we hinder the other to reach to our level.



7. Glory

Glory is the feeling of acceptance for those who have made effort for excellence.

For all those people whom we call great people, when we accept the effort made for excellence by them, to whatever extent they are able to achieve it, we naturally have a feeling of glory for them.

8. Gratitude

Gratitude is the feeling of acceptance for those who have made the effort for my excellence.

In our life, there may be so many people who have been of help to us in the process of understanding harmony and living in harmony. So, we have this feeling of gratitude for them. Gratitude is a significant feeling in the development of relationship.

9. Love

Love is the feeling of being related to everyone, to all. It starts from affection, which we have already explored. If this feeling expands to many and ultimately to all, it is the feeling of love. So, we begin with the feeling of affection, and complete it with the feeling of love. That is why, Love is called complete value.

Love is the feeling of being related to all.

Love is expressed in the form of compassion. The feeling of love is for all and it is expressed to whosoever comes in contact.

Distinguishing Between Love and Infatuation

The feeling of love is not something which is based on sensation. If there is a feeling on the basis of sensation, this is the case of infatuation where the sensual pleasure becomes the major goal. Infatuation is conditional – it may last only as long as you are able to get the sensation or you have hope of getting happiness through sensation. It is very temporary; it does not last for long. Once the effect wears off, then the long-term issues of feelings become prominent.

Right Feeling – within Myself or from the Other?

With this background, we can ask ourselves which can have continuity:

- Right feeling in myself or
- Getting right feeling from the other

The answer is quite obvious that there can be continuity of right feeling, if it is from within and based on right understanding. But generally, we do keep making effort for getting right feeling from the other in continuity.

Role of Physical Facility in Fulfilment of Relationship

You can now see that physical facility has a limited role to play in the fulfilment of the feeling in human-human relationship. To fulfil the feeling of care, physical facility is certainly required. For other than the feeling of care, physical facility only has a symbolic role to play.

Response and Reaction in Behaviour

An important implication of understanding relationship, particularly trust on intention, is the clarity about problems in living in reaction and the possibility of living with response. With response, your conduct is definite while with reaction, the conduct is indefinite.

My Participation (Value) in Family

My participation (value) vis-à-vis my family is to ensure harmony in the family, ensure mutual happiness, ensure justice in the family by way of:

- Ensuring right feelings (trust, respect, affection, care, guidance, reverence, glory, gratitude and love) in myself – this leads to my happiness.



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Understanding Harmony in the Family



- Expressing (sharing) these feelings with the other. When the other is able to make the right evaluation of these feelings, it leads to his/her happiness, thus leading to mutual happiness. My participation is to be of help to the other in their self-evolution, self-development.

With this preparation in the family, I have the ability to participate meaningfully in the larger society – in the neighbourhood, in the community and so on.

Justice in Relationship

With the above discussion, justice can be understood.

Justice is the recognition, fulfilment and evaluation of human-human relationship, leading to mutual happiness.

To expand it a bit:

- Recognition of relationship means recognizing the naturally acceptable feelings in relationship rightly.
- Fulfilment of relationship means
 - Ensuring the naturally acceptable feelings in oneself.
 - Living with responsibility with the other with these feelings, forming the basis of relationship. This makes the other comfortable and assured.
 - Making effort for mutual development, i.e. development of one's own competence and being of help to the other in developing their competence.
- Evaluation means verifying that I have the right feeling, I am able to express it properly, the right feeling has reached to the other and the other is able to identify it as the right feeling.

When the recognition, fulfilment and evaluation are right from my side, I feel happy. When the other is able to evaluate the expression of my feeling rightly, then (s)he also feels happy. Developing this competence may take time.

Justice is desirable in the family and beyond the family, all the way to the world family.

Key Takeaways

The other feelings in relationship include affection, care, guidance, reverence, glory, gratitude and love. Love is the feeling of acceptance of all; it is the complete value. Justice is ensuring these feelings in oneself and expressing them to the other, leading to mutual happiness. Justice begins from family and extends to the world family, leading to undivided society.

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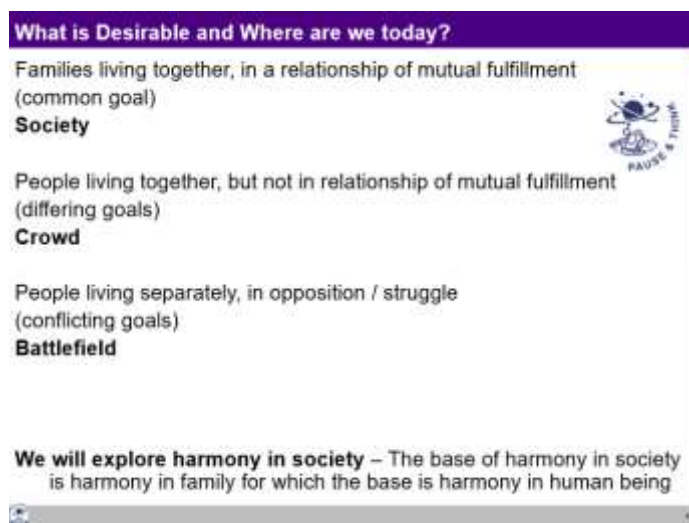


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Understanding Harmony in the Society



So far, we have explored harmony in the human being and harmony in the family. In the sequence, the next level of living for a human being is society. We can see very much see that we can conceive of a society only if it has families living together in a relationship of mutual fulfillment otherwise it is just like a crowd or battlefield.



Understanding Human Goal

The goals of human being living in a society can be articulated as shown below:



We can explore and see what is naturally acceptable?

- Right understanding in every human being or only a few to have right understanding and others to follow them?
- Prosperity in every family or few families to have accumulation, and others to be deprived and dependent on the few?
- Fearlessness, based on trust and affection, in the society or a state of fear, based on mistrust and jealousy in the society?
- Co-existence (mutual fulfillment) in nature or exploitation and domination of nature?

Appraisal of the Current Status

As shown in the figure, due to the prevailing false assumptions of happiness (like money is everything), happiness is sought through accumulation of physical facility (money) by any means, and using it for getting sensations from the body or feelings from others. The second goal of prosperity is similarly seen as accumulating more and more. With these as the driving assumptions in the society, it has led to people living with three kinds of obsessions:

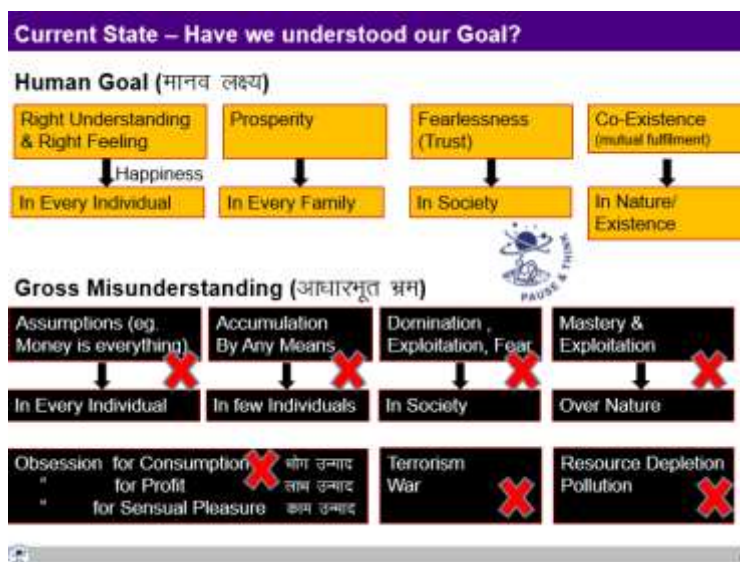
1. Obsession for consumption
2. Obsession for profit
3. Obsession for sensual pleasure

Similarly, instead of the third goal of fearlessness (trust), we have domination, exploitation and fear in the society. Finally, instead of mutual fulfillment, we are mostly trying to exploit and be the master over nature.



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Understanding Harmony in the Society



The Way Ahead

There is a need for understanding the harmony in society and living accordingly. The correct sequence in which these four goals can be fulfilled is shown in the figure below:



Dimensions (Systems) of Human Order

With the clarity of human goals, we can discuss five interconnected, complementary dimensions of human order required for the fulfilment of the human goal. The five basic systems of a human society are:

1. Education-Sanskar
2. Health-Self regulation
3. Production-Work
4. Justice-Preservation
5. Exchange-Storage

Though all are interconnected, we can see a primary link of the systems with the goals as:

Education-Sanskar → (leads to) → Right understanding and right feeling (happiness)
 Health-self-regulation → (leads to) → Prosperity
 Production-Work → (leads to) → Prosperity
 Justice-Preservation → (leads to) → Fearlessness and Co-existence (respectively)
 Exchange-storage → (leads to) → Prosperity and Fearlessness

Education-Sanskar

Looking at the first dimension of Education-Sanskar, as we discussed earlier, we can see that



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Understanding Harmony in the Society



Education is to develop right understanding of the harmony at all levels of being – from self to the entire existence (individual, family, society, and nature/existence).

and

Sanskar is to develop the basic acceptances of the harmony at various levels.

Education provides the commitment, preparation and practice of living in harmony at all levels. Preparation includes learning the skills and technology for living in harmony. Our living is an expression of our sanskar.

Education-Sanskar

Education = Developing Right Understanding

Sanskar = Commitment/ Preparation/ Practice for Right Living

Preparation includes Learning Right Skills & Technology

Development of the competence to live with Definite Human Conduct
Discipline to Self Discipline

1. **Right understanding**, i.e. wisdom or clarity about what to do as a human being – in oneself, family, society, nature...
2. **Right feeling** – the capacity to live in relationship with the other human beings – in family, society...
3. **Right skills** for prosperity, i.e.
 - The capacity to identify the need of physical facility
 - The skills & practice for sustainable production of more than what is required (by way of labour, using cyclic, mutually enriching process)
 - The feeling of prosperity



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Health and Self-regulation

We had discussed this at length earlier.

Self-regulation is the feeling of responsibility towards the Body, for nurturing, protection and right utilization of the Body.

Health of the Body is indicated by the fact that it is able to act according to the instruction of the Self and the different parts of the Body are in harmony.

Production-Work

Work is the effort a human being does on the rest of nature and Production is the physical facility obtained from work.

There are two important issues related to production-work:

1. What to produce?
2. How to produce?

Regarding what to produce, we have already discussed while exploring the proposals about prosperity, health and self-regulation – we have to produce physical facility required for nurturing, protection and right utilisation of the Body.

Regarding how to produce there are two criteria:

1. The process needs to be cyclic and mutually enriching – it has to be eco-friendly
2. Justice needs to be ensured in relationship with human being – it has to be people-friendly



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Understanding Harmony in the Society



A production process is cyclic when the resources utilised in the process return to their original state in due course of their lifecycle. In the absence of being in tune with the natural processes, what we see ultimately is resource depletion and pollution.

Resource depletion is the symptom of using a natural resource at a rate which is greater than the rate at which it is produced in nature. For example, if we use forest at a rate greater than the rate at which it is produced in nature, there will be a shortage/ depletion of forest.

Similarly, **pollution** indicates that we are producing something which does not return to the cycle in nature or it is produced at a rate that is faster than the rate at which it can return to the cycle in nature. Plastic, for example, does not degrade, it does not return to the cycle of nature for many years.

Justice-Preservation

We had discussed about justice.

Justice is recognition of human-human relationship, its fulfilment and evaluation leading to mutual happiness.

We had discussed earlier that in human-human relationship, the feeling is the core issue. In order to ensure justice in the society, we need to develop the competence to understand and ensure justice in every individual. In case someone is not able to develop this competence and ends up doing injustice then:

- a) Stop the him from doing further injustice, as well as
- b) Help him/her to develop the competence for ensuring justice.

In the present system, mostly we seem to be restricting ourselves at (a) and not doing (b).

Preservation has to do with relationship of human being with the rest of nature.

Preservation is the recognition of relationship of human being with the rest of nature, its fulfilment and evaluation leading to mutual fulfilment.

Precisely, preservation would mean enrichment, protection and right utilization of the rest of the nature.

Preservation ensures

1. Prosperity in human being
2. Enrichment, protection and right utilisation of the rest of the nature

Justice ensures fearlessness (trust) in the society and preservation ensures the mutual fulfilment (co-existence) with rest of the nature.

Exchange-Storage

Exchange means sharing or exchanging physical facility with a view of mutual fulfillment and not with the obsession for profit.

The sharing is within the family, or to the extent one has been able to accept relationship. Beyond that is exchange. Through sharing and exchange of physical facility, each family can have all that it needs, i.e. there is mutual fulfilment.

Storage is preserving physical facility after the fulfillment of needs, so that it is available, when required. This is done with a view of mutual fulfilment and not with the obsession for accumulation or exploitation.



Scope: Harmony from Family Order to World Family Order – Universal Human Order

The scope of the society is from family order to world family order. Every human being has a role in one or more of the social systems, starting from the family order, then the family cluster order and so on to the nation family order and ultimately, the world family order, leading to universal human order.

Family order refers to the system in a family of responsible people living together for the common human goal. The family cluster order is the next larger unit. It is the system that a group of families evolve in order to fulfil those goals of individual families which require the participation of more people than the family has. The scope of the system from the family order to the world family order is indicated below. It is ensured through successively larger and larger complementary units,

Family Order \Rightarrow Family Cluster Order \Rightarrow Village Order \Rightarrow Village Cluster Order \Rightarrow ... \Rightarrow Nation Order... \Rightarrow World Family Order

Natural Outcome of Right Understanding

Now if you look at the basic human aspiration and its fulfilment:

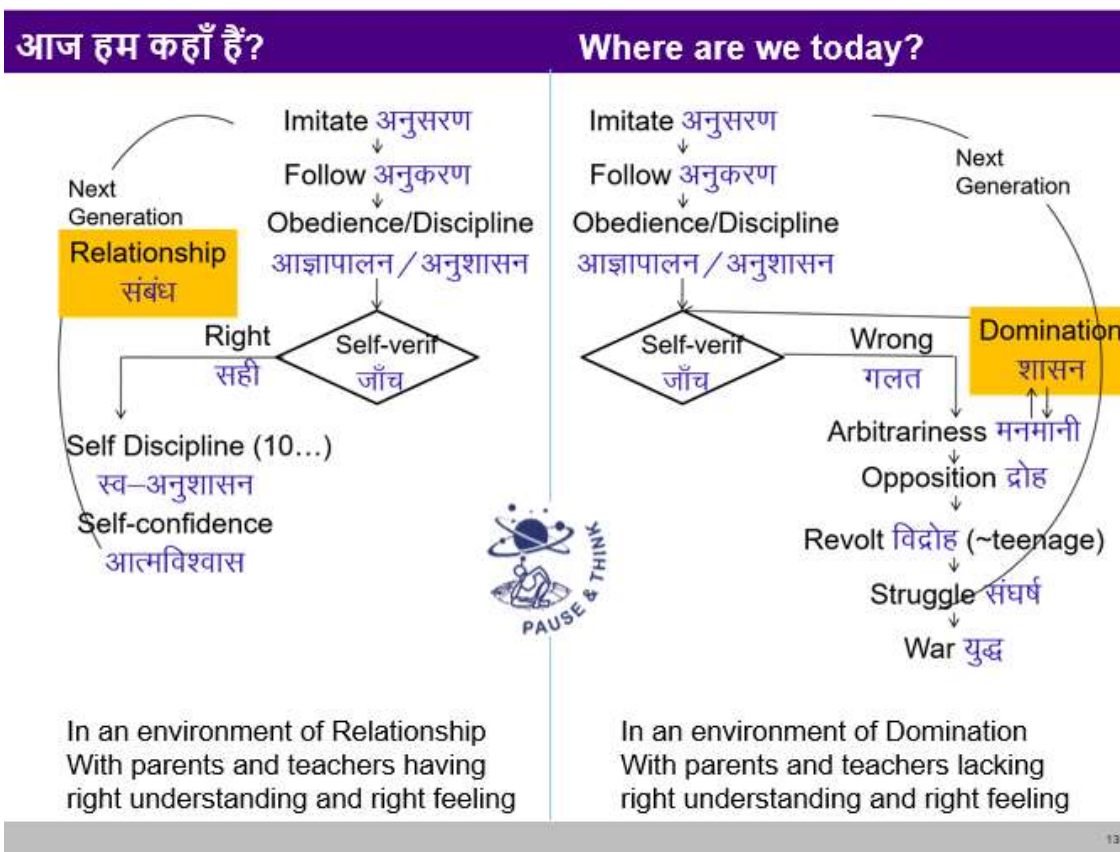
1. The happiness is ensured by having the right understanding and right feeling in the Self.
2. The prosperity is a feeling of the availability of more than required physical facility. To ensure it, Right understanding is required at the base, along with physical facility.
3. The tradition of living with happiness and prosperity starts from the family order and ultimately, continuity can be ensured by the universal human order.

In this way, the society with happiness in every individual, prosperity in every family, fearlessness (trust) in the society and co-existence (mutual fulfilment) in nature/existence is realized. This is one's participation (value) vis-à-vis society.

Process of Development of a Child – In an environment of Relationship

A child intrinsically has a desire to understand what is right, to learn right skills and to do what is right. This desire to understand is innate in every Self. This is the guidance that is expected by the child. The child wants to know about everything, so asks lots of questions, wants to relate to people around, picks up the language, the accent, the mannerisms... The thoughts and actions that lead to contradiction, thus unhappiness, are not satisfying for her/him, and hence the child makes a lot of effort in this direction from a very early age. It expects others to help him/her in learning and in understanding with a feeling of affection. In this process, the child starts with imitating, and then following. In time, progressing to obedience and discipline, all the time assuming the elders to be right. If (s)he is able to find answers and is able to validate them to be right, it leads to self-discipline and self-confidence in the child. The child's conduct is definite and it is human.

On the other hand, if the child finds that the inputs are not right, it starts to have doubts on elders, teachers and hence tries out something on his/her own. If yet the knowing does not take place, the child's conduct remains indefinite and inhuman. The people around the child then try to restrain the child by more instructions, more domination. Many of the bad habits form during this stage. It is basically that the child is trying ways and means of happiness or escaping from unhappiness. This further aggravates the state making way for dissatisfaction, lack of confidence, opposition, revolt, struggle and war. So, one has to find out where do we stand today? And what is the naturally acceptable way?



Key Takeaways

At the level of society, the human goal is right understanding and right feeling (happiness) in every individual, prosperity in every family, fearlessness (trust) in society and co-existence (mutual fulfilment) in nature/existence. This goal is fulfilled by human order, i.e. systems for education-sanskar, health-self regulation, production-work, justice-preservation and exchange-storage. These systems start with the family order, and are interconnected right up to world family order, leading to universal human order. The natural process of development of a child in an environment of relationship needs to be understood and fulfilled so that the child grows into a human being who can have the competence to participate in the universal human order.

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So far, we elaborated on harmony in the individual, family and society. Now, we move to the next level, i.e. nature. Human order is a part of nature; hence, it is essential to understand the nature and the participation of human being in nature for a mutually fulfilling and sustainable way of living. After discussing nature, we will move on to understand the existence as a whole which is in the form of units (nature) submerged in space.

Understanding Harmony in Nature

Nature as Collection of Units

Nature is the collection of all the units – the air, soil, water, plants, trees, animals, birds, other human beings and even things that are at a distant from us like the sun, the moon, the other planets, etc.

Classification of Units into Four Orders

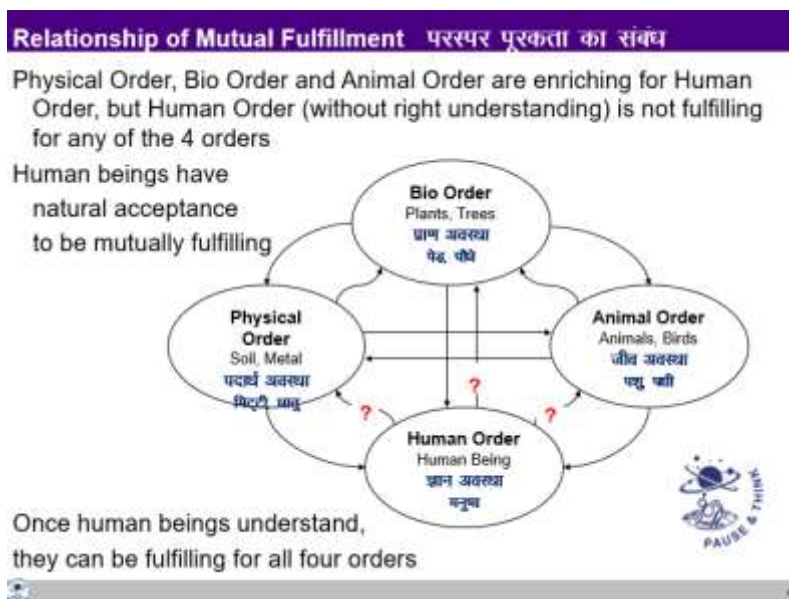
Although the units are innumerable, they can all be classified into just four orders:

1. Physical order – this includes units like air, water, metal and so on.
2. Bio order – this includes grass, plants, trees, etc.
3. Animal order – this includes animals and birds.
4. Human order – this has human being only.

Harmony among the Four Orders

There is mutual fulfilment among the first three orders in nature. The soil-plant interaction is an example of mutual fulfilment between the physical order and the bio order. Animals and birds (units of the animal order) depend on plants (units of the bio order) for their food. At the same time, animals and birds help to spread the seeds of plants from one place to the other. They protect plants from harmful insects and pests. Similarly, the units of physical order, like air and water, are essential for animals to survive. In turn, animals enrich the soil – their dung and their dead bodies act as very good manure which makes the soil fertile. This is amply visible in the forests. These three orders are enriching for the human being too. This we can see from our day to day life.

Now, is the human being fulfilling for the other three orders? This is a big question. Human being is not only unfulfilling for the other three orders, rather it is dominating and exploiting them, to the extent of global warming and climate change.



However, when we refer to our natural acceptance, we want to fulfil all the four orders. Ask yourself this question, “what is naturally acceptable to you – to enrich these four orders or to exploit them”? The



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Understanding Harmony in the Nature and Existence

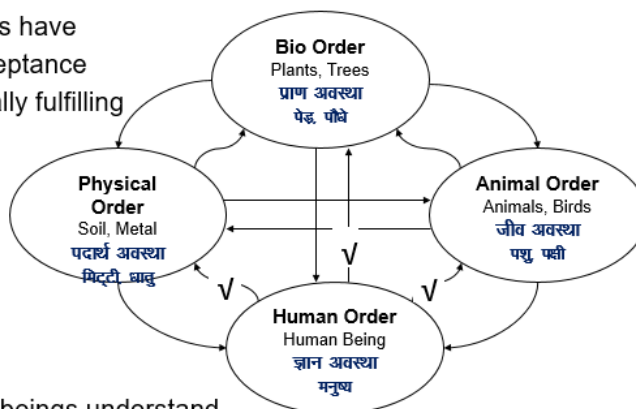


answer is obvious – to enrich all the four orders. Once human beings understand the mutual fulfilment among the four orders, they can be fulfilling for all the orders.

Relationship of Mutual Fulfilment परस्पर पूरकता का संबंध

Physical Order, Bio Order and Animal Order are enriching for Human Order, but Human Order (without right understanding) is not fulfilling for any of the 4 orders

Human beings have natural acceptance to be mutually fulfilling



Once human beings understand, they can be fulfilling for all four orders

Interconnectedness, Self-regulation and Mutual Fulfilment among the Four Orders of Nature

With the above discussion, we can conclude that there is interconnectedness and mutual fulfilment among the four orders in nature. One can also see that there is self-regulation in nature. In a forest, the proportion of soil, plants and animals of various species is self-regulated. It never happens that the lions eat up all the deer or the deer eat up all the grasses or that the plants grow to the extent that there is no space for deer or that there is lack of soil for new plants and so on. The forest does not need to be regulated by human being to be in harmony. With right understanding only, human being will also be self-organised, in harmony within and participate in the harmony in the larger order.

Abundance in Nature

Nature is organised in such a manner that the physical facility required for any order is available in abundance. The quantity of soil is far more than that of plants and trees. And both of these are available in far greater quantities as compared to the quantity of animals and birds. Human beings require all these three orders to survive, and the quantity of all these three orders together is far more than the quantity of human beings. By its very being, nature is organised in a manner where quantity of all four orders is in a sequence:

Physical order >> Bio order >> Animal order >> Human order.

Therefore, the requirement of any order is already available in abundance.

Key Takeaways

Nature is the collection of units. It can be classified into four orders, (physical, bio, animal and human). There is a relationship of mutual fulfilment amongst these. It is already going on in the first three orders. Human being also has the natural acceptance for mutual fulfilment. All that we need to do is to understand it and live accordingly.



Realizing Existence as Co-existence at All Levels

In this lecture, we will explore into the harmony in existence.

Existence as Units in Space

Existence is whatever exists.

There are two types of basic realities in existence – one is space and the other is units. The units are in space.

Understanding Units and Space

There are innumerable units in existence. There is air, water, soil, earth, sun, moon, plants, trees, animals, birds, human beings etc. These units are in space. The co-existence of the two is in the form of units submerged in space.

Units are Limited in Size; Space is Unlimited

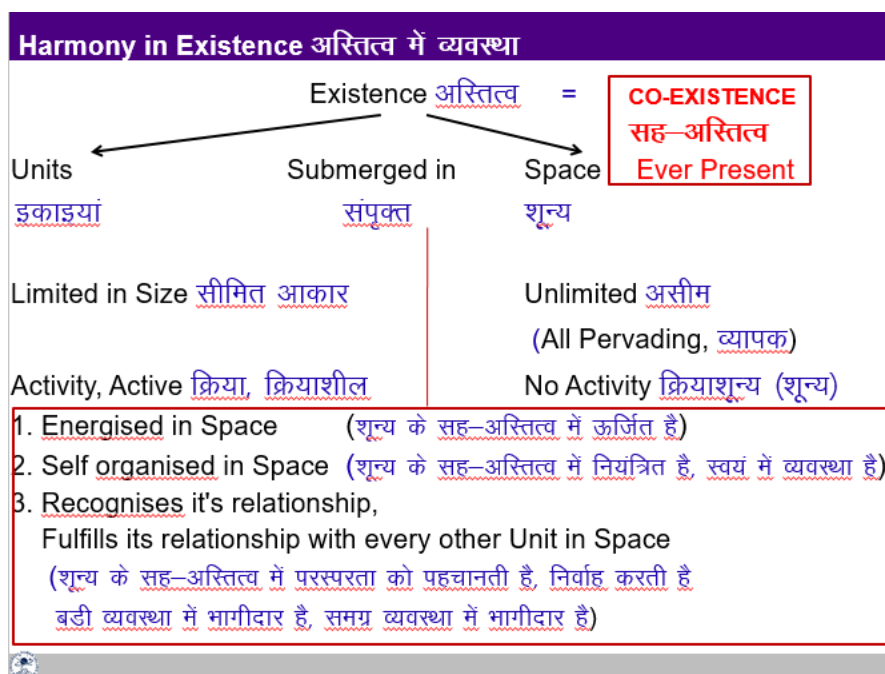
We can observe units all around – they are limited in size. Coming to space, it is unlimited. It is spread all around. It is all-pervading. There is no limited size of space. It does not have any boundary.

Units are Activity, they are Active; Space is “No-Activity”

Every unit is an activity and it is active with other units. In itself, one or the other kind of activity is always taking place in the unit. Further, the unit is interacting with other units, i.e. it is active in relation to other units. When it comes to space, it is no-activity. There is activity only in the units.

Understanding Submergence

Units are in space – they are submerged in space. It means units are in space, they are inseparable from space. Where ever a unit is there, space is also there.



1. Units are Energised in Space

Being in co-existence with space, every unit is energised, right from the smallest atom to the largest planet.



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Understanding Harmony in the Nature and Existence



2. Units are Self-organised in Space

Being in co-existence with space, every unit is self-organised. It is in a definite order. By being in a definite order, it exhibits a definite conduct – that is how one can identify or recognise and study that unit.

3. Units Recognise their Relationship and Fulfil it with Every Other Unit in Space

Being in co-existence with space, every unit recognises its relationship with every other unit in space and fulfils that relationship.

Existence as Co-existence – Units Submerged in Space

Existence is co-existence. It is in the form of units submerged in space. In the light of above discussion on existence as co-existence, we can now visualise the overall picture of the whole existence.

Key Takeaways

Existence is co-existence, which is in the form of units submerged in space. Units are energised, they are self-organised and they recognise their relationship with other units and participate with them in a mutually fulfilling manner (except for human beings without right understanding).

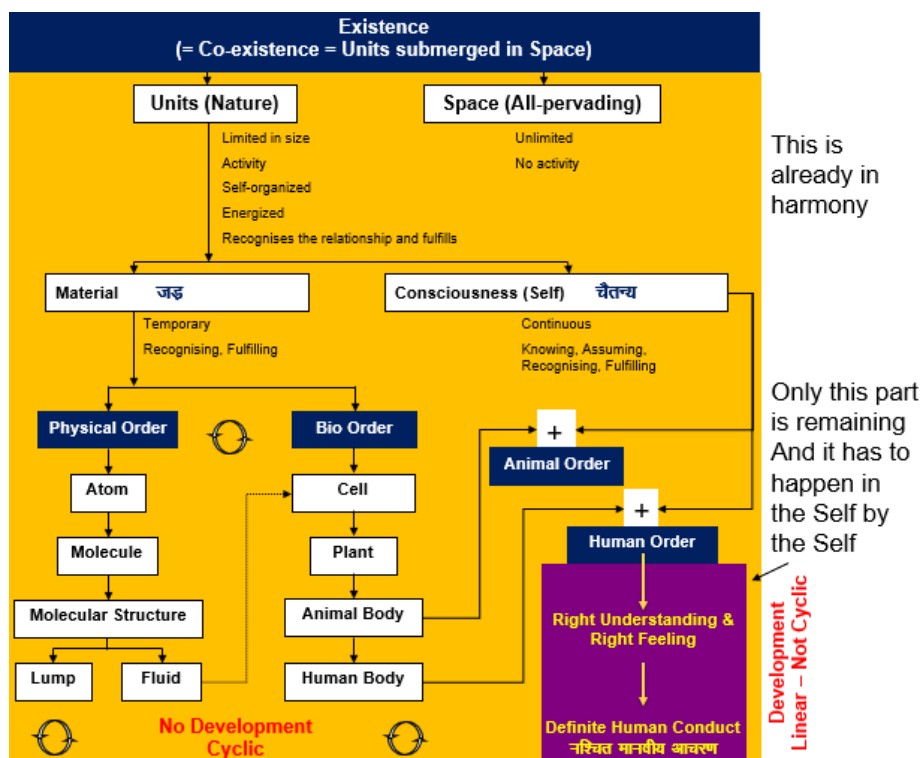


The Holistic Perception of Harmony in Existence

In the light of this discussion, we can now visualise the overall picture of the whole existence.

The Holistic Perception of Harmony in Existence

At the base of the whole existence is co-existence, which unfolds in terms of units submerged in space.



Units are limited in size; they are activity and are active. Space is unlimited, all-pervading and is no activity. Being submerged in space, units are energised, self-organised and recognise their relationship with every other unit in space and fulfil it.

Units are of two types – material units and consciousness units. Material units are temporary in time, while consciousness units (Self) are continuous. Material units recognise and fulfil their relationship with other units– their conduct is definite. Consciousness units recognise and fulfil their relationship on the basis of assuming without knowing or assuming based on knowing – the conduct of the human being is definite if it is operating on the basis of assuming based on knowing; and it is indefinite if it is operating on the basis of assuming without knowing.

All material units are composed of other (simpler) material units. The smallest or fundamental stable material unit is the atom. An atom may combine with another atom to form a molecule. These molecules further combine to form molecular structure. Molecular structures can exist either as lumps, or fluids. Fluids provide nurturing of cells and such cells combine to form plants, the animal body and the human body.

Coming to the domain of consciousness, there is just one type of unit which we have referred to as the Self. We can classify all the units in existence into four orders. Material units can be classified into two orders – physical order and bio order. The animal order is the co-existence of consciousness (Self) and the animal body (material). The human order is also the co-existence of consciousness (Self) and the human body (material).



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Understanding Harmony in the Nature and Existence

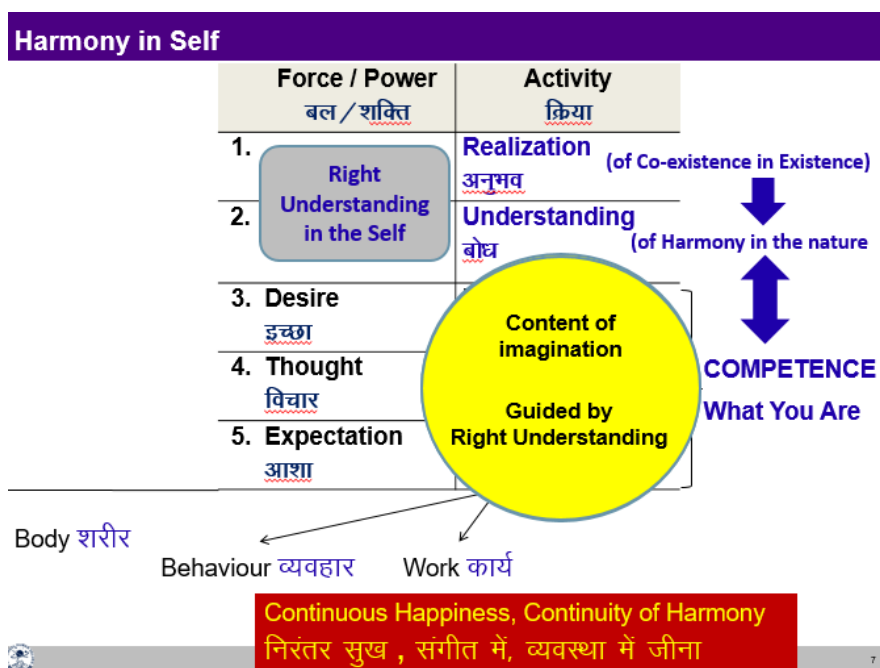


Development in the Existential Sense

Now, we can see that everything is in co-existence. Everything that exists is basically the expression of this ever-present co-existence. It is expressing itself in the form of harmony and relationship. This unfolding is something which is happening and has to be completed through human being.

Whatever we do with the material world is cyclic. It will keep changing; keep going back to initial state, no matter what we do. In that sense, there is no development here. Only in the human order, there is a potential for development or transformation in the Self which is not cyclic. Development or permanent change is possible only in the domain of consciousness. It is in terms of

1. developing right understanding (understanding co-existence) and right feeling (feeling of co-existence) in the Self. It means awakening to the activities of contemplation (of relationship, participation in the larger order), understanding (of self-organisation, harmony) and realisation (of co-existence), as discussed earlier, and



2. living on the basis of right understanding and right feeling- part one is updating all our desires, thoughts and expectations in line with right understanding and right feeling; part two is the expression in the form of behaviour, work and participation in the larger order.

This development, this transformation in human being is facilitated by education-sanskar. There is every provision in existence for this development.



Sum Up

Now, we can sum up all that has been discussed in the workshop. We started by explaining the meaning of value. It was put as shown in the figure:

Value

Value of a unit is its participation in the larger order

(larger order = larger, harmonious system)

e.g. Value of pen is that it helps to write
 (participation in education)

Value of water is that it quenches thirst
 (participation in health)

Similarly,

Value of your activities (desire, thought, expectation..) is participation in the harmony within you (in the Self).

Value of your body is participation in your activities as a human being.

Your value in the family is your participation in the harmony in the family.

Your value in the society is your participation in the harmony in the society.

Your value in the nature is your participation in the harmony in the nature.

Your value in the existence is your participation in the co-existence.

In this workshop, we tried to explore the universal values of a human being.



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Then we went on to discuss the value at all the levels which is explained below.

Expression of Co-existence at Different Levels

Level. Name	Relationship / Potential	Details
4b. Existence	Co-existence	Co-existence Potential for human being to realise
4a. Nature	Mutual Fulfillment	Harmony, Relationship Potential for human being to be in harmony
3. Society	Right Understanding, Prosperity, Fearlessness (Trust), Co-existence	Human-Nature relationship Potential, through participation of individuals and families in various societal systems
2. Family	Feeling of co-existence Trust, Respect ... Love	Human-Human relationship Potential for right feeling in the Self – mutual happiness
1b. Individual Human Being	Co-existence of Self and Body	Self-Body relationship Potential for feeling of self-regulation
1a. Self (I)	Continuous happiness = happiness, peace, satisfaction, bliss	Will to live with continuous happiness Potential for right understanding, right feeling and right thought → mutually fulfilling behavior and work
Universal Values		



Universal Human Values Handout 5 of 5

Understanding Harmony in the Nature and Existence



With this background, we can see that all that we discussed about harmony at the level of individual, family, society and nature are basically the systematic reflection (the expressions) of existence as co-existence. The same is shown in figure below. The whole discussion so far can be summed up in a simple chart given below. It can be expressed in one word – ‘**Co-existence**’.

Natural Outcome of the Understanding

The completion point for human being (materialising universal human order) is also the completion point of the universal order in existence. In that sense, the universal human order and universal order are synonymous. This is also the total expression of existence. It is the completion point of unfolding of the existence as co-existence.

Thus, My Participation (Value) in Existence is to Realize the Co-existence and Live in Co-existence.

Key Takeaways

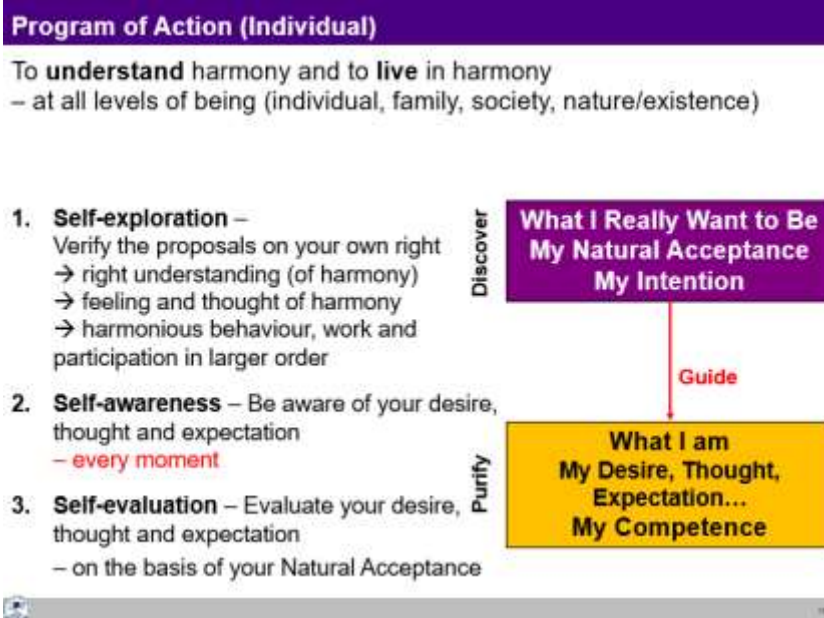
Existence is co-existence, and the role of human being is to realise co-existence in the Self and live in co-existence in nature/existence, extending up to universal human order. In this way, the unfolding of the co-existence will be completed through human being – resulting into universal order.



Program of Action

With the discussion so far, now we can work out the program of action at the individual level and at the level of society.

At the level of individual, what is expected is to understand harmony and live in harmony. This is something that has been initiated in the workshop.

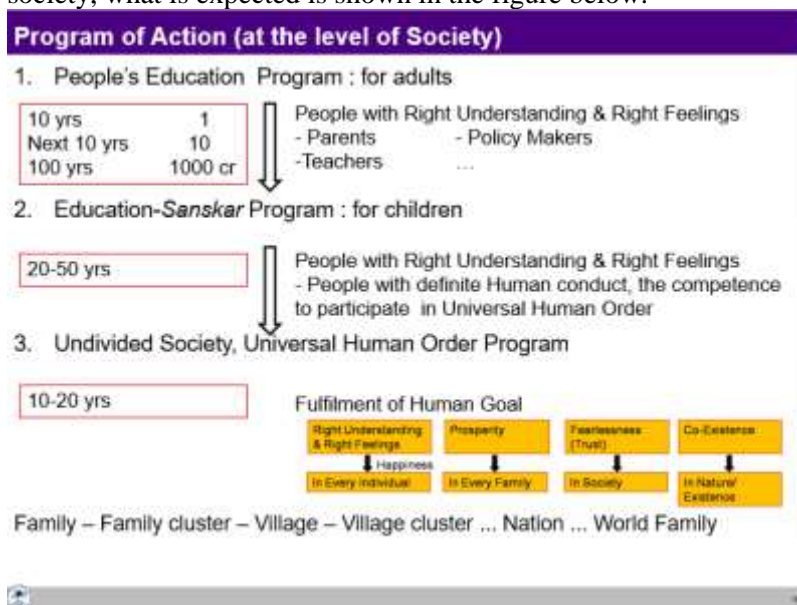


In the process of understanding, three things are required as mentioned above:

1. Self-exploration: Verifying the proposals on our own right and living accordingly
2. Self-awareness: Being aware of one's desires, thoughts and expectations every moment
3. Self-evaluation- Evaluating one's competence vis-à-vis the natural acceptance every moment.

These three things will help one transform from the present level of competence to the level of completeness of right understanding and right living in continuity. The time taken for this may vary from person to person, but the process is definite.

At the level of society, what is expected is shown in the figure below.





Universal Human Values Handout 5 of 5

Understanding Harmony in the Nature and Existence



One kind of program can be the people's education program meant for adults. People with a definite level of competence can help grown-ups from different backgrounds to self-explore and develop their competence. Going this way, on an average, if one person takes 10 years to develop the commitment to understand and live accordingly in completeness, and develops 10 more such people in the next 10 years, a population of 1000 crores can be developed in 100 years. But if the program of education-sanskar is made value based, it will take a shorter time, say up to 50 years for the world, as the program for right understanding will become a definite component of the system of society. And if there is a program for undivided society and universal human order including all the dimensions of the society, it will take even shorter time. This can be a vision while making the policies at the level of society.

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Business Ethics and Business Environment

Prof. Abhipsa Mishra

Ethics is a branch of social science. It deals with moral principles and social values. It helps us to classifying, what is good and what is bad? It tells us to do good things and avoid doing bad things. so, ethics separate, good and bad, right and wrong, fair and unfair, moral and immoral and proper and improper human action. **In short, ethics means a code of conduct.** It is like the 10 commandments of holy Bible. It tells a person how to behave with another person

Ethics is a branch of social science. It deals with moral principles and social values. It helps us to classifying, what is good and what is bad?

Ethics is derived from the Greek word “Ethicos” which is again originated from the word “ethos” which refers specifically to the “character” and “sentiment” of community.

Shea defines ethics as the principles of conduct governing an individual or a profession and “standards of behaviour”.

Ethics is the branch of philosophy that focuses on morality and the way in which moral principles are applied to everyday life.

Business ethics are the moral principles that act as guidelines for the way a business conducts itself and its transactions. Business ethics focuses on what constitutes right or wrong behavior in the world of business.

Corporate business executives have a responsibility to their shareholders, employees and customers to make decisions that will help their business make a profit.

Business Ethics are moral principles that define right and wrong behaviour in the world of business.

Definition of Business Ethics

According to Keith& Davis, Business ethics are the application of general ethical rules to business behaviour.

According to Raymond C. Baumhart, “The ethics of business is the ethics of responsibility. The business man must promise that he will not harm knowingly.”

According to Wikipedia, “**Business ethics (also corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations.**”

Nature of Business Ethics

Code of conduct: Business ethics is a code of conduct. It tells what to do and what not to do for the welfare of the society. All businessmen must follow this code of conduct.

Based on moral and social values: Business ethics is based on moral and social values. It contains moral and social principles (rules) for doing business. This includes self-control, consumer protection and welfare, service to society, fair treatment to social groups, not to exploit others, etc.

Gives protection to social groups : Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.

Provides basic framework: Business ethics provide a basic framework for doing business. It gives the social cultural, economic, legal and other limits of business. Business must be conducted within these limits.

Voluntary: Business ethics must be voluntary. The businessmen must accept business ethics on their own. Business ethics must be like self-discipline. It must not be enforced by law.

Relative Term: Business ethics is a relative term. That is, it changes from one business to another. It also changes from one country to another. What is considered as good in one country may be taboo in another country.

Requires education and guidance: Businessmen must be given proper education and guidance before introducing business ethics. The businessmen must be motivated to use business ethics. They must be informed about the advantages of using business ethics. **Trade Associations and Chambers of Commerce must also play an active role in this matter.**

Objectives of BE

Business ethics serves as the moral foundation and principles that govern behavior and decisions in the business world. In a global context, understanding and practicing business ethics are becoming increasingly crucial.

The main objective is to create a business environment that is fair, honest, and responsible. The benefits of implementing business ethics include:

1. **Trust of the Community:** Applying business ethics can build trust within the community, fostering strong and sustainable relationships.
2. **Corporate Reputation:** Consistent ethical practices can enhance a company's reputation, providing a competitive advantage in the market.
3. **Long-Term Growth:** Companies adhering to ethical principles tend to experience long-term growth as they build a solid foundation.

Principles of Business Ethics

While the specifics of ethical principles may vary across industries and organizations, several fundamental principles serve as the foundation for ethical business practices:

1. Honesty and Integrity

Honesty and integrity are the cornerstones of business ethics. Companies should strive to be truthful in their dealings with stakeholders, including employees, customers, suppliers, and the broader community. This principle encompasses not only refraining from outright deception but also ensuring that information is presented accurately and transparently, without any attempt to mislead or manipulate.

2. Respect for the Law

Ethical businesses operate within the boundaries of the law, adhering to all relevant regulations and legal requirements. This principle extends beyond mere compliance; it involves actively promoting a culture of respect for the rule of law and contributing to the development of fair and equitable legal frameworks.

3. Respect for Human Rights

Companies have a responsibility to respect and uphold fundamental human rights, both within their own operations and throughout their supply chains. This includes ensuring fair labor practices, providing safe working conditions, prohibiting child labor and forced labor, and promoting diversity and inclusion.

4. Environmental Responsibility

In today's world, businesses must recognize their impact on the environment and take proactive measures to minimize their ecological footprint. This principle encompasses sustainable practices, responsible resource management, waste reduction, and the development of environmentally friendly products and services.

5. Corporate Social Responsibility

Ethical businesses acknowledge their role as corporate citizens and strive to contribute positively to the communities in which they operate. This principle involves philanthropic efforts, community development initiatives, and a commitment to addressing social issues that affect the well-being of society.

6. Fair Competition

Companies should engage in fair and ethical competitive practices, refraining from activities such as price-fixing, collusion, or the dissemination of false or misleading information about competitors. Fair competition fosters innovation, quality, and consumer choice, ultimately benefiting the broader market.

7. Stakeholder Engagement

Ethical businesses recognize the importance of considering the interests of all stakeholders, including shareholders, employees, customers, suppliers, and the local community. This

principle involves actively seeking input from stakeholders, addressing their concerns, and incorporating their perspectives into decision-making processes.

Importance of Business Ethics-

Long-term growth: sustainability comes from an ethical long-term vision which takes into account all stakeholders. Smaller but sustainable profits long-term must be better than higher but riskier short-lived profits.

Cost and risk reduction: Companies which recognize the importance of business ethics will need to spend less protecting themselves from internal and external behavioral risks, especially when supported by sound governance systems and independent research

Enhance Business Reputation: Business ethics helps in enhancing the reputation of the organization in the market. Practicing of ethics ensures the legality of business and provide better service to customers. It controls all unfair trade practices and operates all activities ethically.. This develops a positive image of the company and attracts a large number of new customers.

Positive Work Environment: It helps in maintaining a positive work environment for business. Ethics clearly defines the code of conduct for business and directs the limits within which it should operate. Employees are trained to work efficiently in a team and develop better relationships with their co-workers.

Improves Customer Happiness: Ethics leads to improve customer satisfaction with the business. Companies follow ethical principles operate at a reasonable profit and fulfill all needs of their customers at a lower cost. Customers when treated fairly get committed to the business for the long term. **Business via these good ethical principles are able to build a loyal customer base.**

Retain Good Employees: Adopting of ethical principles enable business in retaining good employees for a longer period. Employees want to work with such an organization that treats them fairly and recognizes their talent. They need to be compensated for their work and wants appreciation based on their work quality. Companies dealing with their workers fairly and openly are able to easily retain them.

Builds Investor Loyalty: All investor wants to be associated with the ethical business for earning better return. They look for reputation, ethics, and social responsibility of business before choosing the one to invest their funds. Business working on ethical values are able to attract large number of investors. Investors know that ethical values enable organization in enhancing their productivity, efficiency, and profits.

Avoid legal Problems: Controlling legal issues is another important advantage provided by business ethics. Implementation of ethical principles ensures that organizations comply with all labor laws and environmental regulations. Employees are provided safe working environment and good quality materials for carrying out the operations. Companies maintaining proper ethical standards avoid themselves from any fine and penalties charges by government agencies.

Sources of Ethics

1. Religion

Religion provides a moral framework for its adherents, often based on sacred texts, teachings, and traditions.

Examples:

- The Ten Commandments in Judaism and Christianity
- The Eightfold Path in Buddhism
- The Five Pillars of Islam

For example-Islamic Banking: Islamic banking principles, such as prohibiting interest and promoting fairness, guide ethical decision-making in financial institutions.

2. Philosophical System

Philosophical systems provide a rational and systematic approach to ethics, often based on reason, logic, and human experience.

Examples:

- Aristotle's Virtue Ethics
- Immanuel Kant's Deontological Ethics
- John Stuart Mill's Utilitarianism

Ex-

1. Utilitarianism at Google: Google's motto "Don't be evil" reflects a utilitarian approach, prioritizing the greater good and minimizing harm.
2. Deontology at Patagonia: Patagonia's commitment to environmental responsibility and sustainability reflects a deontological approach, emphasizing moral rules and duties.

3. Code of Conduct

Codes of conduct provide a set of rules and guidelines for ethical behavior, often specific to a profession or organization.

Examples:

- The Hippocratic Oath for medical professionals
- The Code of Ethics for Engineers
- The Code of Conduct for Lawyers

4. Legal System

Legal systems provide a framework for ethics through laws, regulations, and judicial decisions.

1. Compliance with Labor Laws: Companies must comply with labor laws, such as minimum wage and working conditions, to ensure fair treatment of employees.
2. Environmental Regulations: Companies must adhere to environmental regulations, such as pollution controls and waste management, to minimize harm to the environment.

Examples:

- Constitutional rights and freedoms
- Labor laws and regulations
- Environmental laws and regulations

5. Culture

Culture influences ethics through shared values, norms, and practices.

A company's culture can significantly influence its business ethics. A culture that values integrity, transparency, and accountability can foster ethical behavior.

Example: Google's culture emphasizes innovation, collaboration, and doing the right thing. This culture has led to Google's commitment to ethical AI development, transparency in data collection, and responsible business practices.

1. Diversity and Inclusion at Microsoft: Microsoft's commitment to diversity and inclusion reflects the company's cultural values, promoting a welcoming and inclusive work environment.
2. Toyota's Kaizen Culture: Toyota's Kaizen culture emphasizes continuous improvement, teamwork, and respect for people, reflecting the company's values and guiding ethical decision-making.

6. Genetic Inheritance

Genetic inheritance can influence ethics through innate moral tendencies and emotional responses. The business ethics of Tata and Reliance may be influenced by the genetic inheritance of their founders:

Tata Group

Genetic Inheritance Influence: Research suggests that Jamsetji Tata's strong sense of social responsibility, compassion, and integrity may have been influenced by his genetic predispositions.

Tata Group's business ethics are shaped by Jamsetji Tata's personal values, which include:

1. Social Responsibility: Tata Group prioritizes social responsibility, reflecting Jamsetji Tata's genetic predispositions towards compassion and empathy.
2. Integrity and Transparency: Tata Group emphasizes integrity and transparency, aligning with Jamsetji Tata's genetic influences towards honesty and fairness.

3. Employee Welfare: Tata Group prioritizes employee welfare, reflecting Jamsetji Tata's genetic predispositions towards kindness and generosity

Examples:

- Empathy and compassion as innate moral tendencies
- Genetic predispositions to aggression or altruism
- The role of genetics in shaping moral development and decision-making

7. Social Contract

The social contract theory posits that ethics arise from the implicit agreements and expectations within a society.

1. Stakeholder Expectations: Companies must meet stakeholder expectations, such as providing quality products and services, to maintain trust and reputation.
2. Corporate Social Responsibility: Companies have a social contract to contribute to the well-being of society, such as through philanthropy and community development.

8. Personal Experience

Personal experiences, including upbringing, education, and life events, can shape an individual's ethical perspectives and values. Personal values of individual employees and leaders can influence business ethics. When personal values align with the company's values, ethical decision-making is more likely.

Example: The personal values of CEO Mary Barra, such as integrity and accountability, have shaped General Motors' commitment to ethical business practices. Under her leadership, GM has prioritized safety, quality, and sustainability.

Examples:

- The influence of family values and upbringing on ethical development
- The impact of education and critical thinking on ethical decision-making
- The role of personal experiences, such as trauma or privilege, in shaping ethical perspectives

Leadership

Leadership plays a crucial role in shaping business ethics. Leaders set the tone for the organization's culture and values.

Example: Howard Schultz, former CEO of Starbucks, emphasized the importance of corporate social responsibility and ethical leadership. Under his leadership, Starbucks implemented sustainable practices, such as reducing energy consumption and waste.

Corporate Strategy

A company's corporate strategy can influence its business ethics. A strategy that prioritizes profits over people and the planet can lead to unethical decisions.

Example: Patagonia's corporate strategy emphasizes environmental responsibility and sustainability. The company's mission statement reads, "We're in business to save our home planet." This strategy guides Patagonia's ethical decision-making, such as using environmentally-friendly materials and reducing waste.

Environment

The environment in which a business operates can influence its ethics. Factors such as industry norms, regulatory requirements, and societal expectations can shape a company's ethical behavior.

Example: The banking industry's environment has led to increased regulatory scrutiny and public expectations for ethical behavior.

Stakeholders

Stakeholders, including customers, employees, investors, and suppliers, can influence a company's business ethics. Companies must balance the interests of various stakeholders while making ethical decisions.

Example: Nike has faced criticism from stakeholders, including customers and human rights groups, regarding labor practices in its supply chain. In response, Nike has implemented sustainability and social responsibility initiatives, such as improving working conditions and reducing environmental impact.

Industry and Professional Standards

Industry and professional standards can influence business ethics. Companies must adhere to established standards and regulations to maintain credibility and trust.

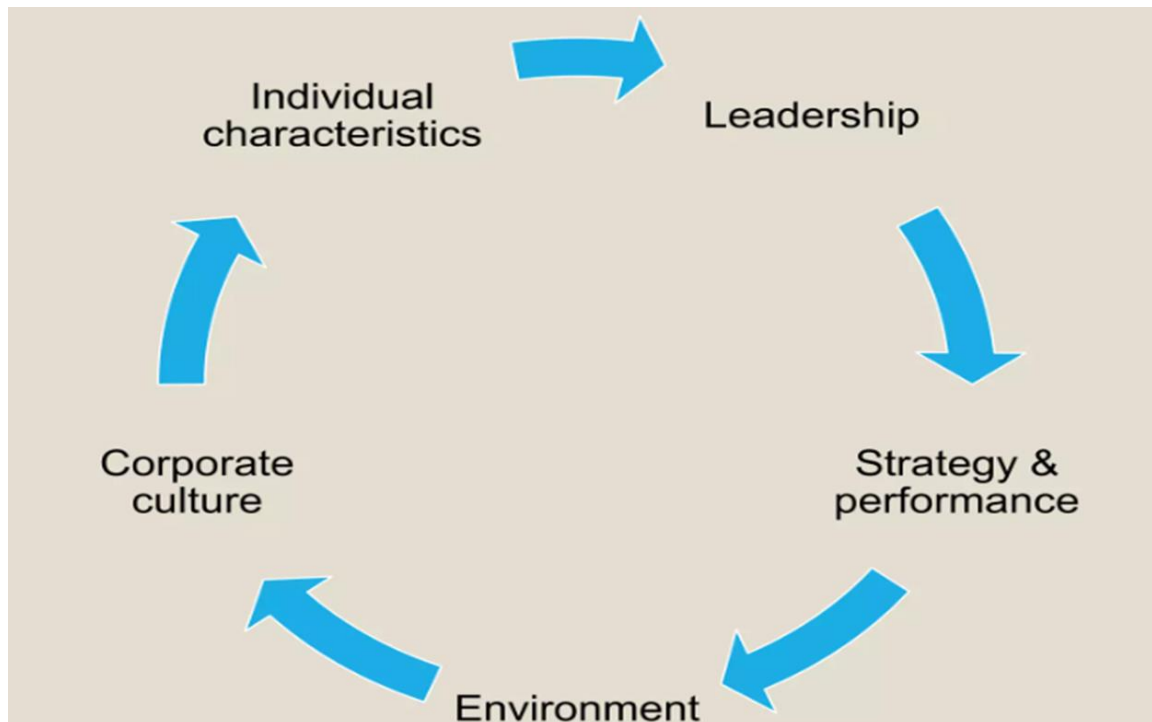
Example: The medical profession's Hippocratic Oath and the American Medical Association's (AMA) Code of Medical Ethics guide physicians' decision-making and behavior. These standards emphasize the importance of patient confidentiality, informed consent, and respect for human life.

National and International Regulations

National and international regulations can influence business ethics. Companies must comply with laws and regulations, such as anti-corruption and anti-money laundering laws.

Example: The Foreign Corrupt Practices Act (FCPA) in the United States and the UK Bribery Act regulate business practices and prohibit corruption. Companies like Siemens and BAE Systems have faced fines and penalties for non-compliance with these regulations.

Factors influencing BE



1. Individual Characteristics

- This refers to the traits, skills, and experiences of employees and leaders within the organisation. It highlights how individuals' strengths contribute to the broader corporate culture and strategies.
- **Example:** Google fosters innovation by hiring individuals who excel in creativity and problem-solving, which aligns with its culture of innovation and adaptability.

2. Leadership

- Leadership shapes the direction and tone of an organisation by influencing decisions, setting goals, and motivating teams. Effective leadership creates a vision that resonates with corporate values.
- **Example:** Satya Nadella at Microsoft shifted the company's culture towards collaboration and growth mindset, significantly enhancing performance and market adaptability.

3. Strategy & Performance

- This includes the organisation's plans to achieve its goals and how it measures success. Corporate Strategy is heavily influenced by leadership and external conditions.
- **Example:** Tesla's focus on sustainable energy and electric vehicles reflects a strategic approach that aligns with environmental goals while delivering market-leading performance.

4. Environment

- The external environment includes market conditions, regulatory frameworks, and socio-economic factors that impact the organisation's operations and strategy.
- **Example:** Unilever adapts its strategies to meet consumer demand for sustainable products, reflecting environmental pressures and societal expectations.

5. Corporate Culture

- This represents the shared values, beliefs, and practices within the organisation. Culture is shaped by leadership and the collective characteristics of employees.
- **Example:** Netflix promotes a culture of freedom and responsibility, enabling employees to take ownership of their work while maintaining high-performance standards.

More Factors affecting BE

Industry Standards and Regulations

These are rules and guidelines that companies must follow to ensure compliance, safety, and fair competition within their industry.

Example: Pharmaceutical companies like Pfizer must adhere to strict FDA regulations to ensure drug safety and efficacy.

Stakeholder Expectations –

Stakeholders, including investors, employees, and customers, influence corporate decisions and priorities based on their expectations.

Example: Apple focuses on product innovation and sustainability to meet customer expectations for cutting-edge technology and environmental responsibility.

Organizational Structure- This refers to how a company is arranged, including roles, responsibilities, and hierarchy, which affects communication and efficiency.

Example: Amazon's flat organizational structure enables rapid decision-making and innovation in a fast-paced industry.

Individual Values and Morality

Employees' and leaders' personal ethics influence company decisions and workplace behavior.

Example: Patagonia's leadership emphasizes personal and corporate integrity, promoting environmental conservation and ethical business practices.

Globalization and Cultural Diversity

Operating in global markets brings exposure to diverse cultures, requiring companies to adapt their strategies and policies.

Example: McDonald's customizes its menu to cater to local tastes, such as offering vegetarian options in India.

Economic Conditions

Economic factors, such as inflation, unemployment, and market trends, impact company strategies and growth.

Example: During the 2008 financial crisis, companies like General Motors restructured to stay afloat.

Technology and Social Media

Advancements in technology and social media influence how companies innovate, communicate, and market their products.

Example: Nike leverages social media platforms for marketing and engages customers through its Nike Training Club app.

Business is responsible to Four Distinct Groups

- ▶ **Society**
- ▶ **Employees**
- ▶ **Customers (Consumers)**
- ▶ **Investors**

1.Society- Businesses must contribute positively to the community and environment. This includes addressing social issues, supporting local communities, and operating sustainably.

Example: Tata Group engages in extensive CSR activities, such as healthcare and education programs, benefiting Indian society.

2. Employees- Businesses are responsible for ensuring fair treatment, safe working conditions, career development, and adequate compensation for their workforce.

Example: Infosys offers training programs and wellness initiatives to enhance employee skills and well-being.

3. Customers (Consumers)- Businesses must provide quality products and services, maintain fair pricing, and ensure customer satisfaction. Trust and ethical practices are vital for long-term relationships.

Example: Amazon's focus on fast delivery and excellent customer service has built strong loyalty.

4. Investors- Companies owe investors transparency, ethical financial management, and consistent returns. Responsible governance builds trust and attracts investment.

Example: Reliance Industries ensures investor trust through regular disclosures, ethical practices, and consistent growth.

Ethical Theories of Conduct

Utilitarianism: morality depends on consequences.

Emphasizes on the outcome or results **Utilitarianism** is an approach to establishing ethical standards based on the consequences of an action. **Utilitarian ethics** is a form of consequentialism that evaluates the morality of actions based on their outcomes. It focuses on producing the greatest good for the greatest number of people. An action is considered ethical if it maximizes overall happiness or well-being and minimizes harm or suffering.

In an ethical dilemma, a person selects the action that brings about the greatest amount of good for the greatest number of people.

The model determines correctness in terms of social benefit. Many business people favor the “cost/benefit” approach of utilitarianism.

A company might switch to renewable energy to reduce carbon emissions, benefiting the environment and future generations, even if it increases operational costs.

Example:

Infosys became carbon-neutral, benefiting society and the planet by reducing environmental harm.

Deontology: morality depends on conformity to moral principles

Deontology ethics, also known as **duty-based ethics**, is a branch of moral philosophy that focuses on the adherence to rules, duties, or principles to determine ethical behavior. An action is right if it respects the moral rules, and is wrong if it violates.

A company following deontological ethics would ensure truthful advertising even if exaggerating the product's features could increase sales.

Example:

- A pharmaceutical company like **Dr. Reddy's Laboratories** ensures that drug advertisements accurately describe the product's benefits and side effects, prioritizing honesty over profit.

A company following deontological ethics would adopt sustainable practices because it is the right thing to do, not just to improve its brand image.

Example:

ITC Limited follows sustainability practices, such as water conservation and reducing carbon footprints, as part of its ethical responsibility toward the environment.

Rights Model: Ethical standards based on human rights The rights model analyzes ethical issues by focusing on an action's impact on human rights. The **Rights Model in Ethics** focuses on respecting and protecting the fundamental rights of individuals. It is based on the belief that every person has inherent rights that must be upheld, regardless of the consequences. These rights often include life, freedom, privacy, and dignity. An action that maximizes respect for human rights and minimizes their violation is morally correct. When encountering ethical dilemmas, a person applying the rights model selects the action that minimizes the violation of stakeholder's rights.

Tata Group is recognised for its fair treatment of employees, ensuring equal opportunities, respect, and safety in the workplace.

Example: Tata Steel became the first company in India to introduce an 8-hour workday and maternity leave, respecting workers' rights to humane working conditions.

Virtue Ethics: morality depends on the virtues of one's character. Virtue ethics is a branch of moral philosophy that emphasizes the role of an individual's character and virtues in determining ethical behavior, rather than focusing solely on rules (deontology) or outcomes (consequentialism). **Ex- A business leader who prioritises fairness, transparency, and empathy when making decisions embodies virtue ethics, as they are driven by good character traits rather than solely by rules or profit motives.**

Types of Business Ethics

Transactional Ethics

Transactional ethics focuses on the exchange of goods, services, or information between parties. It emphasizes fairness, transparency, and mutual benefit in transactions.

Key Principles:

- 1. Fairness: Ensure that all parties are treated fairly and without bias.**
- 2. Transparency: Clearly disclose all relevant information to all parties involved.**
- 3. Mutual Benefit: Ensure that all parties benefit from the transaction.**

1. Transactional Ethics

The domain of ethics covering transactions that are performed on the basis of simultaneous or connected interests and that are general by the principles of Equality, Honesty and, Reciprocity is indicated as the domain of transactional ethics.

Business Example:

- Coca-Cola's Supplier Code of Conduct: Coca-Cola requires its suppliers to adhere to a code of conduct that ensures fair labor practices, environmental sustainability, and transparency in business dealings.

A company like Amazon prioritizes transactional ethics by ensuring that customers receive accurate product information, timely delivery, and hassle-free returns.

Participative Ethics

Participative ethics emphasizes the involvement and engagement of stakeholders in decision-making processes. It promotes inclusivity, transparency, and accountability.

Participatory ethics is about the shape of solidarity in an age of individualization.

It is the ethics of the civil society, recently rediscovered as a solid ground for collective arrangements, by participating on a regular basis, in common projects on behalf of general welfare

Key Principles:

- 1. Inclusivity: Involve all relevant stakeholders in decision-making processes.**
- 2. Transparency: Clearly communicate decisions and their rationale to all stakeholders.**
- 3. Accountability: Ensure that decision-makers are accountable for their actions.**

By participating regularly in common projects on behalf of general welfare, a Corporation demonstrates that it takes its *Corporate Citizenship* seriously.

Since 1985, Patagonia has committed 1% of its total sales to environmental groups through [One Percent for the Planet](#), an organization of which [Yvon Chouinard](#) was a founding member. Business Example:

- Patagonia's Environmental Activism: Patagonia involves its customers, employees, and suppliers in environmental activism and decision-making processes. The company's environmental responsibility initiatives are transparent and accountable to all stakeholders.

Recognitional Ethics

Recognitional ethics emphasizes the importance of recognizing and respecting the rights, dignity, and autonomy of individuals and groups. **Recognitional ethics emphasizes the importance of recognizing and respecting the rights, dignity, and autonomy of individuals and groups.**

The Body Shop International is a leader in promoting greater corporate transparency, and they have been a force for positive social and environmental change through our campaigns around our five core Values: Support Community Trade, Defend Human Rights, Against Animal Testing, Activate Self-Esteem, and Protect Our Planet

Key Principles:

- 1. Respect for Autonomy:** Recognize and respect the autonomy of individuals and groups.
- 2. Dignity and Rights:** Recognize and respect the dignity and rights of individuals and groups.
- 3. Empathy and Compassion:** Demonstrate empathy and compassion towards individuals and groups.



Business Example:

The Body Shop's Community Trade Program: The Body Shop's Community Trade program recognizes and respects the rights and dignity of marginalized communities. The program provides fair trade practices, sustainable livelihoods, and community development initiatives.

Branches of Business Ethics

- ▶ **Descriptive ethics** involves describing, characterizing and studying morality
 - ▶ “What is ”
 - ▶ Describes behavior of people
 - ▶ Ethics among the Gen Z → Multiple relationships,

Normative ethics is a branch of philosophy that deals with the principles of what is morally right or wrong, good or bad, and how individuals should behave. It aims to establish a framework for determining the moral standards that guide human actions.

- ▶ Stresses on moral standards

Ethical Absolutism n Relativism

Ethical Absolutism, also known as moral absolutism, is a philosophical perspective in ethics which argues that certain actions are intrinsically right or wrong, regardless of the context or consequences.

- ▶ According to this view, certain ethical standards or moral principles are universally applicable and do not depend on culture, personal beliefs, or circumstances.
- ▶ It is also known as [objective ethics](#) because it holds that moral principles are universal and apply to everyone.
- ▶ Examples: A common example of ethical absolutism is the belief that killing is always wrong, regardless of the circumstances.

Relativism says that *nothing is intrinsically right or wrong*.

- ▶ Ethical Relativism is the theory that holds that morality is relative to the norms of one's culture. That is, whether an action is right or wrong depends on the moral norms of the society in which it is practiced.
- ▶ The same action may be morally right in one society but be morally wrong in another.
- ▶ Is It Ethical to Determine the Sex of a Child?

Cultural Relativism

- ▶ says that different countries - or even areas within a country - have different values, for example, Muslims expect women to cover up .
- ▶ It affirms the idea 'when in Rome do as the Romans do'.

Historical Relativism-This says that what was right one hundred years ago may not be right in the present day because times and society have moved on.

- ▶ 100 years ago, women did not have the vote but due to changing opinions in society they now do and hold principal positions in parliament, etc.

Different types of ethics:

1. Descriptive Ethics

Descriptive ethics describes how people actually behave and make moral decisions.

Example: A study on how people in a particular culture respond to a moral dilemma, such as whether to prioritize individual freedom or collective well-being.

2. Prescriptive Ethics

Prescriptive ethics prescribes how people ought to behave and make moral decisions.

Example: A moral code or set of principles that outlines how individuals should treat others, such as the Golden Rule ("Do unto others as you would have them do unto you").

3. Normative Ethics

Normative ethics provides a moral framework for evaluating right and wrong.

4. Applied Ethics

Applied ethics applies moral principles to real-world issues and problems.

5. Metaethics

Metaethics examines the nature and meaning of moral statements and judgments.

Example: A philosophical debate about whether moral statements can be objective or are merely subjective expressions of personal opinion.

6. Virtue Ethics

Virtue ethics emphasizes the development of character traits and moral virtues.

Example: Aristotle's concept of "eudaimonia" (human flourishing), which emphasizes the importance of cultivating virtues such as wisdom, courage, and justice.

8. Deontological Ethics

Deontological ethics emphasizes the importance of moral rules and duties.

Example: Immanuel Kant's categorical imperative, which argues that individuals should act according to universal moral laws that are based on reason.

9. Consequentialist Ethics

Consequentialist ethics emphasizes the importance of consequences in evaluating moral actions.

Example: Utilitarianism, which argues that actions are right if they promote the greatest happiness for the greatest number.

Kohlberg's stages of moral development

Level 1. Pre-conventional

Stage 1 - Obedience and Punishment Orientation
Stage 2 - Individualism and Exchange

Level 2. Conventional

Stage 3 - Interpersonal Relationships
Stage 4 - Maintaining Social Order

Level 3. Post-conventional

Stage 5 - Social Contract and Individual Rights
Stage 6 - Universal Principles.

Moral development: (Kohlberg's 6 stages of moral development)

Kohlberg's theory of moral development is a theory that focuses on how children develop morality and moral reasoning.

Kohlberg's theory suggests that moral development occurs in a series of six stages and that moral reasoning is primarily focused on seeking and maintaining justice.

Pre-Conventional (3-7 age); Preconventional morality is the earliest period of moral development. At this age, children's decisions are primarily shaped by the expectations of adults and the consequences of breaking the rule

► **Moral Reasoning based on Reward & Punishment**

- **Obedience and Punishment-**The earliest stages of moral development, obedience and punishment are especially common in young children, but adults are also capable of expressing this type of reasoning. According to Kohlberg, people at this stage see rules as fixed and absolute
- **Instrumental purpose,** -At the individualism and exchange stage of moral development, children account for individual points of view and judge actions based on how they serve individual needs.

Ex- ask a child of 5 to 6 years whether stealing is wrong.

- He / she says yes.
- Why it is wrong?
- He / she don't have the answer.
- Even if he says "mummy will punish me".

- If I steal the child will only see the situation from his point of view.
- He doesn't have the ability to identify with others.
- The primary motivation is self-centered.

Conventional (8-13 age) ;

The next period of moral development is marked by the acceptance of social rules regarding what is good and moral. During this time, adolescents and adults internalize the moral standards they have learned from their role models and from society.

Moral Reasoning based on External Ethics

Good boy/ nice girl- this stage of the interpersonal relationship of moral development is focused on living up to social expectations and roles. There is an emphasis on conformity, being "nice," and consideration of how choices influence relationships.

Law and Order-This stage is focused on ensuring that social order is maintained. At this stage of moral development, people begin to consider society as a whole when making judgments. The focus is on maintaining law and order by following the rules, doing one's duty, and respecting authority.

Ex- A Child-Maintaining the expectation of one's own family, peer group or nation as valuable. Exhibits loyalty to the group and its norms. The adolescent at this level, if asked "why wrong" "why right". He replies this is what my family has taught me.

- What my friends think?
- What our law says?
- What we Indians hold?

At the Postconventional Level, Kohlberg's Theory of Moral Development introduces stages that embody the highest forms of moral reasoning, emphasizing the role of principled conscience and universal ethical principles.

Moral reasoning based on Personal Ethics

This level comprises two critical stages:

Stage 5: Social Contract and Individual Rights

Individuals at this stage recognize the importance of societal laws but also understand that these laws should be flexible to accommodate individual rights and the greater good.

Moral reasoning involves considering a variety of values, opinions, and beliefs, aiming to uphold standards that benefit the majority.

Stage 6: Universal Principles

The pinnacle of moral development, this stage, involves adhering to self-chosen ethical principles that are abstract, universal, and capable of guiding moral action even against societal norms or laws.

Principles of justice, equality, and human rights guide decision-making, with individuals willing to face consequences for acting in accordance with these internalized beliefs.

The person does not accept the valuable and norms of the groups to which he belongs. He sees situations from a point of view that takes everyone's interest into account. He questions the laws and values that society has adopted. Redefines them in terms of self-chosen moral principles that can be justified in rational terms.

Ethical Concerns in various aspects of business



Ethical Aspects in HR

Human Resources (HR) focuses on managing an organization's most valuable asset: its employees. HR professionals ensure employees have the necessary resources for their tasks and foster a positive work environment. They handle various responsibilities, from recruiting and compliance to benefits and training.

Fair Employment Practices: Indian companies are increasingly emphasizing fair employment practices, such as equal opportunities for all, regardless of gender, caste, religion, or background.

Ethical HR practices involve creating policies that ensure fair recruitment, promotion, and compensation. Companies like Infosys and Wipro are known for their inclusive hiring practices.

Employee Development and Training: Ethical HR practices focus on employee development and training. Companies like Tata Group invest in employee skill development programs and prioritize continuous learning, showcasing a commitment to employee growth beyond job roles.

Transparency in Communication: Ethical HR involves transparent communication between employers and employees regarding policies, performance evaluations, and any changes affecting the workforce. Companies that openly communicate about organizational changes, like Mahindra & Mahindra, tend to earn employees' trust and respect.

Preventing Workplace Harassment:

The #MeToo movement in India shed light on workplace harassment issues. Ethical HR involves implementing strict policies against harassment, providing confidential channels for reporting, and conducting fair investigations.

- *Companies like Hindustan Unilever have taken steps to create safer work environments for employees.*

Respect for Labor Laws: Adhering to labor laws and regulations is crucial. Ethical HR practices involve compliance with laws related to minimum wages, working hours, and benefits. Companies that prioritize legal compliance, like ITC Limited, set an example for ethical HR management.

Whistleblower Protection: Establishing mechanisms to protect whistleblowers who report unethical behavior is crucial. Companies like HDFC Bank have frameworks in place to protect employees who raise concerns about unethical practices within the organization.

Work-Life Balance: Ensuring a healthy work-life balance is essential.

Ethical HR practices involve setting reasonable working hours, providing flexibility when possible, and offering support for employees' well-being. **Some Indian companies, like Google India, are known for their employee-friendly policies that prioritize work-life balance. Murthy of Infosys ignited this debate by asking for a 70 hours week.**

According to the principle of ethical remuneration, a business should not reward anything other than contributions to long-term owner value.

Ethics in Termination

Firing – employers sometimes use the “at-will” clause in the employment contract that enables them to fire an employee anytime “at-will”. Firing should be having a justified reason. Unethical terminations can damage trust and morale among employees.

- **HR managers must approach terminations with caution, ensuring they are based on clear and justifiable reasons and carried out with sensitivity.**

Tips to promote Ethical culture in HRM

It is very important to promote ethical practices in HRM to create a happy workplace and preserve organizational integrity. Here are some strategies to foster ethical behaviour:

1. **Create a clear code of conduct:** Develop and communicate a comprehensive code of conduct that outlines ethical expectations for all employees.
2. **Provide ethics training:** Offer regular ethics training to employees at all levels to reinforce ethical standards and decision-making processes.
3. **Lead by example:** Ensure that leadership demonstrates ethical behavior, setting the tone for the entire organisation.
4. **Encourage open communication:** Create channels for employees to report ethical concerns without fear of retaliation.
5. **Regularly evaluate company culture:** Conduct surveys and assessments to assess the ethical climate of the organisation and identify areas for improvement.
6. **Maintain transparency:** Be open about policies, decision-making processes, and the rationale behind organisational actions.
7. **Promote diversity and Inclusion:** Actively work towards creating a diverse and inclusive workplace that values different perspectives and experiences.
8. **Implement fair and consistent policies:** Ensure that HR policies are applied consistently and fairly across the organisation.

Ethics in Finance

The term “ethics of financial management” refers to the moral code of conduct that guides and governs the behaviour of professionals or managers.

It mainly covers the principles and values an organisation should follow to maintain its competence in the industry, including integrity, credibility and fairness among its stakeholders.

Major Unethical issues in Finance:

- **Financial fraud and corruption**
- **Employee theft or embezzlement**
- **Insider trading**
- **Conflicts of interest in investment decisions**
- **Market and wealth manipulation**
- **Accounting and transactions fraud**
- **Misrepresentation of financial statements**
- **Tax evasion and avoidance**
- **Stealing funds**

Ethics in Marketing

Marketing ethics refers to the principles and standards that guide businesses in their marketing practices to ensure they are fair, honest, and responsible. It involves conducting

marketing activities in a way that respects consumer rights, promotes fairness, and avoids misleading or harmful tactics.

Ethical issues in mktg./advt

- ▶ **Subliminal Advertising**
- ▶ **Ambush marketing/advertising**
- ▶ **Surrogate advertising**
- ▶ **Puffery – exaggeration of facts**
- ▶ **Misleading advertising**
- ▶ **Promoting controversial products**
- ▶ **Stereotyping in advertisements**
- ▶ **Price Gouging- Uber Case**
- ▶ **Misleading children in promotion**
- ▶ **Comparative advertisements (without authentic/official data)**

The Cambridge Dictionary describes 'Subliminal Advertisement' as 'advertising that uses images and sounds that the conscious mind is not aware of, in order to influence people and make them attracted to a product'

Coca Cola's Secret Strategy

Coca-Cola was one of the first companies to use subliminal advertisement. Jim Vicary placed flashing images on to a screen in a movie theatre that essentially ordered the audience to 'drink Coca-Cola'

Ambush marketing or ambush advertising is a marketing strategy in which an advertiser "ambushes" an event to compete for exposure against other advertisers.

Most ambush marketing campaigns aim to associate a brand with the prominence of a major event, without actually being an "official" partner or sponsor of said event.

Ambush marketing – also known as **coat-tail marketing** or **predatory ambushing** – is the practice of hijacking or coopting another advertiser's campaign to raise awareness of another company or brand, often in the context of event sponsorships.

In an ambush marketing bid, Coca-Cola is selling its beverages outside most stadiums where the ICC T20 World Cup matches are being played, even as rival PepsiCo remains one of the official sponsors of the ICC.

Surrogate Advertisement

This method is used when the advertisement of a certain type of product, like cigarettes, tobacco or alcohol is prohibited by the law because they are hazardous for health or the society at large.

The advertisements actually promote the brand itself or other products under the same brand name to build an impression in the viewer's mind to enable them to recall the brand name when they purchase those goods.

Imperial Blue markets itself through the tagline **“Men Will Be Men”** in advertisements, subtly reinforcing its brand identity linked to whiskey.

Kingfisher, a popular beer brand, promotes its **mineral water, soda, and calendars** under the same brand name. While the advertisements focus on these substitute products, they indirectly keep the Kingfisher brand associated with beer in consumers' minds.

Puffery Advertisement

This method is legal but it does not have an ethical connotation. Here, the companies exaggerate the praise for their products. It is very difficult to see through puffery. It can hurt the brand in the long run because if it fails to deliver on its big promises (something that is also known as overpromising and underdelivering), it will suffer a massive loss of trust on the part of the viewers. It may even be forced to face legal consequences.

For example, Duracell batteries promise to be an “everyday battery” but it is obviously not possible for the batteries to last forever.

Similarly, advertisements of Vim dishwashing liquid claim that one spoonful of Vim gel can clean all the utensils at one time which is an obvious exaggeration.

Making false claims in advertisements

Fast food joints, like McDonald's or Subway, are the ones to most frequently use this tactic. They use fancy food photography tricks to make their food items seem much more overwhelming than they are in reality. This creates a false idea of the quantity and quality of the ingredients of the food.

The advertisement for 'Special K' by Kellogg's also made false claims that its users could lose weight as it only adds 114 calories upon consumption. The Food Safety and Standards Authority of India (FSSAI) also called it out for the same.

In Manipulative/ Misleading advertisements, companies play on the emotional quotient of their viewers to manipulate them into buying their products. Emotional appeal is used to create a positive and negative sensation and the viewers end up associating the brand with that feeling.

Tata Salt is advertised as ‘desh ka namak’ (salt of the country) thus tricking the viewer to feel that he would be patriotic if he uses Tata Salt.

Unhealthy Brand Comparisons

In this case, brands provide statistics and testimonials to show how their product is superior to their competitors' products. This is considered unethical because they usually focus on downgrading the other product.

There are innumerable examples of this method including Colgate and Pepsodent, OLX & Amazon, Flipkart & Snapdeal.

However, the one that stands out among these is the rivalry between Complian & Horlicks.

Stereotyping means presenting a group of people in an unvarying pattern. The use of racial, gender and colour prejudices in advertisements creates a huge uproar and is considered highly unethical.

This is highly prevalent especially in the advertisements of cosmetics.



Nivea stereotyping fairness as a beauty standard.

Advertisements targeting Children

This is one of the most unethical forms of advertisements as they target innocent children who cannot differentiate between what they see on screen and reality. They fail to identify the persuasive intent of the advertisers and thus fall prey to their tactics very easily. Fast food, toys, games, and candy are the top things that target little children. They can even lead to the development of poor health conditions like obesity or stress in children by creating unattainable standards for many.



Advertisements use children to create a relatability factor for the young viewers and they end up craving a similar lifestyle as them.

Strategies to Ensure Ethical Marketing

- ▶ Regulatory Authority
- ▶ The *Advertising Standard Council of India (ASCI)* was established in 1985 to regulate advertisements. They are also responsible to supervise that the companies maintain honesty and truthfulness in their advertisements and safeguard the viewers from misleading or defrauding advertisements. The ASCI even observes fairness in the competition between different brands.
- ▶ It has taken many steps to curb unethical advertisements so that the negative impact of these can be minimised. They have often forced several companies to withdraw their advertisements if they violate legal regulations. For example, Airtel was asked to withdraw its “fastest 4G internet challenge” advertisement because ASCI thought it was misleading.
- ▶ Code of Ethics
- ▶ Regular Audits- Monitoring Marketing campaigns in compliance with ethical standards.
- ▶ Proper and Strong Consumer feedback Mechanism

Key ethical principles in marketing

- ▶ **Truthfulness and Honesty**
- ▶ **Transparency**
- ▶ **Fairness**
- ▶ **Respect for Privacy**
- ▶ **Social Responsibility**

Hindustan Unilever's Lifebuoy promoted handwashing as a health initiative through its "Help a Child Reach 5" campaign. This ethical marketing effort educated communities about hygiene and positively impacted public health.

Ethics in Production & Operation management

Operations management refers to the approach of managing, designing, improving, and operating business processes or systems that work in tandem towards the production and delivery of goods and services.

The POM function of an organisation aims at producing in the right quantity at the right time and cost, thereby fulfilling the needs of customers and increasing organisational efficiency and effectiveness.

It encompasses a number of activities such as selection of plant location, plant layout and material handling, product design, production planning and control, quality control and materials management.

Ethics in POM is a subset of business ethics that aims to ensure that the production function follows ethical norms and values, which are set by the society.

Coca-Cola, in the year 2000, started its bottling operations in a village called Kala Dera, located near Jaipur. The village primarily depends on agriculture for the livelihood of people. However, within a year, the local people started noticing a rapid decline in groundwater levels. As agriculture was the major source of livelihood, loss of groundwater was definitely a big problem for the farmers. The people of Kala Dera blamed Coca-Cola Company for the declining level of groundwater. They accused the company for worsening the water situation through extraction and pollution and demanded the closure of the bottling plant.

As per the TERI assessment report, the plant's operations in Kala Dera would continue to be one of the contributors to a worsening water situation and a source of stress to the communities around.

It was found that Coca-Cola Company runs its operations in India from a perspective of "business continuity" rather than worrying about the impact on the community. This was a big example of employing unethical production and operational practices by a multinational giant that affected the general public at large.

Causes of the Bhopal Gas Tragedy:

- ▶ 1. Methyl Isocyanate (MIC) Leak: The disaster was caused by the leak of MIC, a highly toxic and reactive gas, from a storage tank at the UCIL plant.
- ▶ 2. Safety Measures Failure: The safety measures in place at the plant, including the vent gas scrubber and the flare tower, failed to operate effectively, allowing the MIC gas to escape into the atmosphere.

- ▶ 3. Human Error: Human error played a significant role in the disaster. A maintenance worker had forgotten to close a valve, allowing water to enter the MIC storage tank and triggering a chemical reaction that led to the gas leak.
- ▶ 4. Design Flaws: The design of the MIC storage tank and the safety systems in place were flawed, making it difficult to prevent or mitigate the effects of a leak.
- ▶ 5. Lack of Emergency Preparedness: The UCIL plant and the local authorities were not adequately prepared to respond to a disaster of this magnitude, leading to delays and inadequacies in the evacuation and relief efforts.
- ▶ 6. Regulatory Failures: Regulatory failures, including inadequate enforcement of safety standards and lack of oversight, contributed to the disaster.
- ▶ 7. Corporate Negligence: Union Carbide, the parent company of UCIL, was criticized for prioritizing profits over safety and neglecting to implement adequate safety measures at the plant.

Relation between Ethics and Law

- ▶ Law often represents an ethical minimum
- ▶ Ethics often represents a standard that exceeds the legal minimum

BASIS FOR COMPARISON	LAW	ETHICS
Meaning	The law refers to a systematic body of rules that governs the whole society and the actions of its individual members	Ethics is a branch of moral philosophy that guides people about the basic human conduct.
What is it?	Set of rules and regulations	Set of guidelines
Governed By	Government	Individual, Legal and Professional norms
Expression	Expressed and published in writing.	They are abstract.
Violation	Violation of law is not permissible which may result in punishment like imprisonment or fine or both.	There is no punishment for violation of ethics.
Objective	Law is created with an intent to maintain social order and peace in the society and provide protection to all the citizens	Ethics are made to help people to decide what is right or wrong and how to act.
Binding	Law has a legal binding.	Ethics do not have a binding nature.

Ethical Leadership- refers to a style of leadership in which leaders demonstrate and promote ethical behaviour in their actions and decisions. Ethical leaders prioritize honesty, fairness, integrity, and accountability, inspiring their teams to uphold similar values.

Key Characteristics of Ethical Leadership:

1. Integrity:

- Leaders consistently adhere to moral and ethical principles.
- Example: Ratan Tata is known for his unwavering integrity, ensuring the Tata Group operates with transparency and fairness.

2. Fairness:

- Treating all employees and stakeholders equitably, without favoritism or bias.
- Example: Narayana Murthy of Infosys is admired for creating a culture of fairness and equal opportunities.

3. Accountability:

- Taking responsibility for decisions and actions, including mistakes.
- Example: Satya Nadella at Microsoft promotes a growth mindset, encouraging teams to learn from failures.

4. Empathy:

- Understanding and considering the needs and concerns of others.
- Example: Indra Nooyi, as CEO of PepsiCo, focused on employee well-being and work-life balance.

5. Transparency:

- Maintaining open and honest communication with stakeholders.
- Example: Dr. A.P.J. Abdul Kalam was known for his transparent leadership during his tenure in various roles.

6. Vision for the Greater Good:

- Ethical leaders align organisational goals with societal welfare.
- Example: Mahatma Gandhi's leadership exemplifies ethical leadership aimed at societal transformation.

Ethical Leadership at TATA

► Tata Code of Conduct (TCOC)

The values and principles, that govern Tata Steel's business come under the Tata Code of Conduct (TCOC), established in 1998. This code of conduct serves as a guideline to each employee and describes values, ethics and business principles that are expected from them to show in personal and professional conduct.

TCOC is designed to deal with diverse cultural and business-related issues across the group. It is deployed through a well-formulated structure called the Management of Business Ethics (MBE).

► **Leadership**

The Managing Director is also Tata Steel's chief ethics officer. A designated Ethics Counsellor supported by Departmental Ethics Coordinators, reports directly to the Managing Director and has access to the Board of Directors.

► **Communication and Awareness**

Compliance to the Code is a condition of service for all employees and is also a pre-requisite for service for suppliers, contractors and vendors, who must agree to respect it. Employee seminars, compliance training and ethics awareness workshops are conducted at frequent intervals.

► **Evaluation of Effectiveness**

The MBE Programme is evaluated and reviewed and new initiatives as required are introduced under the MBE Annual Business Plan.

► **Compliance Structure**

A number of systems and processes based on zero tolerance have been put into place to ensure that governance standards are met. These include Gift Policy, Whistle Blower Policy, Vendors Whistle Blower Policy, Sexual Harassment Prevention and Redressal Guidelines.

Ethical decision-making is the process of evaluating and choosing among alternatives in a manner that aligns with ethical principles and values. It involves considering the impact of decisions on stakeholders, ensuring fairness, and adhering to moral standards.

It is vital for building trust, credibility, and a positive corporate culture, and data-driven insights and tools like SWOT analysis, cost-benefit analysis, and decision trees can enhance decision-making quality.

- **Integrity,**
- **Respect**
- **Responsibility**
- **Fairness**
- **Compassion**
- **Courage**
- **Wisdom**

are the seven principles of ethical decision-making.

Key Steps in Ethical Decision-Making:

1. Identify the Ethical Issue:

- Determine the moral dilemma or conflict involved.

- Example: Should a company lay off employees to cut costs or retain them despite reduced profits?

2. Gather Relevant Information:

- Collect facts and understand the implications for all stakeholders.
- Example: Assess the financial status, legal obligations, and employee welfare before deciding.

3. Evaluate Alternatives:

- Consider the ethical principles (e.g., fairness, honesty, responsibility) and possible outcomes of each option.
- Example: Compare the long-term benefits of layoffs versus potential harm to employees.

4. Make the Decision:

- Choose the option that best aligns with ethical values while balancing consequences.
- Example: Opt for cost-cutting measures other than layoffs to uphold employee welfare.

5. Implement the Decision:

- Execute the decision transparently and responsibly.
- Example: Communicate with employees about cost-saving plans to ensure trust.

6. Review the Decision:

- Reflect on the decision's impact to learn and improve future processes.
- Example: Monitor how the cost-saving measures affect employee morale and company performance.

Tata Steel:

During the 2008 financial crisis, Tata Steel retained all employees despite global economic challenges, prioritising their welfare over immediate profit.

Nestlé:

Nestlé implemented stringent measures to eliminate child labor from its supply chain, reflecting a commitment to ethical sourcing.

Johnson & Johnson:

In the Tylenol crisis of 1982, Johnson & Johnson recalled millions of bottles, prioritising consumer safety over financial loss.

Promoting Ethical Culture in an Organisation

An ethical culture in an organisation fosters trust, accountability, and integrity, ensuring that business operations align with moral values and societal expectations.

Below are strategies to promote such a culture:

1. Establish a Clear Code of Ethics

Develop a well-defined code of ethics outlining acceptable and unacceptable behaviors, aligned with the organisation's mission and values.

Example: Tata Group has a "Tata Code of Conduct" that sets ethical guidelines for employees at all levels.

2. Lead by Example

Leadership should model ethical behavior to set a standard for employees. Ethical leaders inspire others to follow suit.

Example: Ratan Tata is admired for leading Tata Group with integrity and fairness, influencing employees to prioritize ethical practices.

3. Provide Ethics Training

Conduct regular training sessions to educate employees about ethical decision-making, workplace integrity, and compliance with laws.

Example: Infosys organizes workshops on ethics and compliance to ensure employees understand their responsibilities.

4. Encourage Open Communication

Create a safe environment where employees feel comfortable discussing ethical dilemmas and reporting unethical practices without fear of retaliation.

Example: Companies like Microsoft have anonymous whistleblower channels to encourage reporting of ethical concerns.

5. Implement a Whistleblower Policy

Establish a robust whistleblower policy to protect employees who report unethical or illegal activities.

Example: Wipro's whistleblower mechanism ensures confidentiality and safeguards against retaliation.

6. Reward Ethical Behavior

Recognise and reward employees who demonstrate ethical conduct to reinforce positive behavior.

Example: Johnson & Johnson highlights ethical practices during employee appraisals and awards.

7. Incorporate Ethics into Performance Evaluations

Include adherence to ethical principles as a criterion in performance reviews to emphasize its importance.

Example: Unilever assesses managerial ethics as part of its leadership evaluation process.

8. Ensure Fair Policies and Practices

Develop fair HR policies, transparent promotion criteria, and equal opportunities for all employees to avoid favoritism or bias.

Example: Google emphasizes diversity and inclusion through unbiased hiring practices.

9. Monitor and Audit Regularly

Conduct periodic audits to ensure compliance with ethical standards and identify areas for improvement.

Example: Coca-Cola performs regular internal audits to align business operations with its ethical guidelines.

10. Engage in Corporate Social Responsibility (CSR)

Contribute to societal well-being through community initiatives, sustainability projects, and ethical sourcing.

Example: ITC Limited supports rural development through its CSR programs, demonstrating its commitment to ethical practices.

Benefits of Promoting Ethical Culture:

1. **Trust Building:** Enhances trust among employees, customers, and stakeholders.
2. **Improved Reputation:** Strengthens the organisation's brand and public image.
3. **Employee Loyalty:** Encourages employee engagement and retention.
4. **Risk Mitigation:** Reduces the risk of legal issues and ethical violations.

The Pyramid of CSR



Corporate Social Responsibility (CSR) refers to a company's commitment to operate in an ethical and sustainable manner while contributing to economic, social, and environmental well-being. It involves going beyond profit-making to address societal issues and improve the quality of life for employees, communities, and the environment.

Hindustan Unilever's Project Shakti empowers rural women by training them to become direct-to-home sales agents, improving their income while expanding the company's market reach.

Some important Terminologies:

A whistleblower policy is a formal procedure within an organisation that allows employees or stakeholders to report unethical, illegal, or improper activities without fear of retaliation. It ensures transparency, accountability, and ethical conduct by providing a safe channel for raising concerns.

Infosys Whistleblower Policy:

Infosys allows employees to report unethical practices, such as financial irregularities or policy violations, through a dedicated hotline or email. The policy ensures confidentiality and non-retaliation, reinforcing trust within the company.

Tata Group:

Tata Sons encourages whistleblowing through its "Tata Code of Conduct," promoting a transparent culture where employees can report unethical behavior without fear.

What is Corporate Governance?

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It outlines the framework for achieving a company's

objectives while balancing the interests of its stakeholders, including shareholders, management, customers, suppliers, financiers, government, and the community.

What is overt and covert business ethics

Key Differences:

Aspect	Overt Business Ethics	Covert Business Ethics
Visibility	Explicit and documented	Implicit and unwritten
Communication	Clearly communicated to all stakeholders	Understood through informal norms
Consistency	Standardised across the organisation	May vary by team or leader
Examples	Code of ethics, whistleblower policy	Cultural practices, leadership influence

Overt Ethical Problems

Ethical issues that are openly visible, easily identifiable, and explicitly recognised by stakeholders.

Examples:

- Fraud or embezzlement.
- Environmental violations by a company.

Covert Ethical Problems

Ethical issues that are hidden, subtle, or difficult to detect, often embedded in the organisational culture or informal practices.

Examples:

- Unofficial favoritism or nepotism in promotions.
- Implicit gender biases in decision-making.
- Concealed data manipulation to meet targets.

A whistleblower exposing an organisation's covert practice of underpaying certain groups of employees.

Ethical principles of Business ethics

Generally, there are about 12 ethical principles: honesty, fairness, leadership, accountability, integrity, compassion, respect, responsibility, loyalty, respect for the law, transparency, and environmental concerns.

- **Leadership:** The conscious effort to adopt, integrate, and emulate the other 11 principles to guide decisions and behavior in all aspects of professional and personal life.

- **Accountability:** [Holding yourself](#) and others responsible for their actions. Commitment to following ethical practices and ensuring others follow ethics guidelines.
- **Integrity:** Incorporates other principles—honesty, trustworthiness, and reliability. Someone with integrity consistently does the right thing and strives to hold themselves to a higher standard.
- **Respect for others:** To foster ethical behavior and environments in the workplace, respecting others is a critical component. Everyone deserves dignity, privacy, equality, opportunity, compassion, and empathy.
- **Honesty:** Truth in all matters is key to fostering an ethical climate. Partial truths, omissions, and under or overstating don't help a business improve its performance. Bad news should be communicated and received in the same manner as good news so that solutions can be developed.
- **Respect for laws:** Ethical leadership should include enforcing all local, state, and federal laws. If there is a legal grey area, leaders should err on the side of legality rather than exploiting a gap.
- **Responsibility:** Promote ownership within an organization, allow employees to be responsible for their work, and be accountable for yours.
- **Transparency:** Stakeholders are people with an interest in a business, such as shareholders, employees, the community a firm operates in, and the family members of the employees. Without divulging trade secrets, companies should ensure information about their financials, price changes, hiring and firing practices, wages and salaries, and promotions are available to those interested in the business's success.
- **Compassion:** Employees, the community surrounding a business, business partners, and customers should all be treated with concern for their well-being.
- **Fairness:** Everyone should have the same opportunities and be treated the same. If a practice or behavior would make you feel uncomfortable or place personal or corporate benefit in front of equality, common courtesy, and respect, it is likely not fair.
- **Loyalty:** Leadership should demonstrate commitment to their employees and the company. Inspiring loyalty in employees and management ensures that they are committed to best practices.
- **Environmental concern:** In a world where resources are limited, ecosystems have been damaged by past practices, and the climate is changing, it is of utmost importance to be aware of and concerned about the environmental impacts a business has. All employees should be encouraged to discover and report solutions for practices that can add to damages already done.

SCOPE OF BUSINESS ETHICS

Ethical problems and phenomena arise across all the functional areas of companies and at all levels within the company.

1.Ethics in Compliance

Compliance is about obeying and adhering to rules and authority. The motivation for being compliant could be to do the right thing out of the fear of being caught rather than a desire to be abiding by the law. An ethical climate in an organization ensures that compliance with law is fuelled by a desire to abide by the laws. Organizations that value high ethics comply with the laws not only in letter but go beyond what is stipulated or expected of them.

2.Ethics in Finance

The ethical issues in finance that companies and employees are confronted with include:

- In accounting – window dressing, misleading financial analysis.
- Related party transactions not at arm's length
- Insider trading, securities fraud leading to manipulation of the financial markets.
- Executive compensation.
- Bribery, kickbacks, over billing of expenses, facilitation payments.
- Fake reimbursements

3.Ethics in Human Resources

Human resource management (HRM) plays a decisive role in introducing and implementing ethics. Ethics should be a pivotal issue for HR specialists. The ethics of human resource management (HRM) covers those ethical issues arising around the employer-employee relationship, such as the rights and duties owed between employer and employee.

The issues of ethics faced by HRM include:

- Discrimination issues i.e. discrimination on the bases of age, gender, race, religion, disabilities, weight etc.
- Sexual harassment.
- Affirmative Action.
- Issues surrounding the representation of employees and the democratization of the workplace,etc.
- Issues affecting the privacy of the employee: workplace surveillance, drug testing.
- Issues affecting the privacy of the employer: whistle-blowing.
- Issues relating to the fairness of the employment contract and the balance of power between employer and employee.
- Occupational safety and health.

4.Ethics in Marketing

Marketing ethics is the area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. The ethical issues confronted in this area include:

- Pricing: price fixing, price discrimination, price skimming.
- Anti-competitive practices like manipulation of supply, exclusive dealing arrangements, tying arrangements etc.
- Misleading advertisements
- Content of advertisements.
- Children and marketing.
- Black markets, grey markets.

5. Ethics of Production

This area of business ethics deals with the duties of a company to ensure that products and production processes do not cause harm. Some of the more acute dilemmas in this area arise out of the fact that there is usually a degree of danger in any product or production process and it is difficult to define a degree of permissibility, or the degree of permissibility may depend on the changing state of preventative technologies or changing social perceptions of acceptable risk.

- Defective, addictive and inherently dangerous products and
- Ethical relations between the company and the environment include pollution, environmental ethics, and carbon emissions trading.
- Ethical problems arising out of new technologies for eg. Genetically modified food
- Product testing ethics.

The most systematic approach to fostering ethical behaviour is to build corporate cultures that link ethical standards and business practices.

Is CSR and Business ethics mean the same?

Corporate social responsibility is related to, but not identical with, business ethics. While CSR encompasses the economic, legal, ethical, and discretionary responsibilities of organizations, business ethics usually focuses on the moral judgments and behavior of individuals and groups within organizations.

Selling of liquor and tobacco in any society is not against business ethics though it may be against the principles of social responsibility.

Companies must take proactive steps to ensure that ethical considerations are integrated into their decision-making processes and operational practices.

Here are some strategies for implementing business ethics:

1. Develop a Code of Ethics

A well-defined code of ethics serves as a guiding framework for ethical behavior within an organization. This code should clearly outline the company's values, principles, and expectations regarding ethical conduct, providing a reference point for employees and stakeholders alike.

2. Establish an Ethics Committee

An ethics committee, comprising representatives from various departments and levels of the organization, can help oversee the implementation and monitoring of ethical practices. This committee can serve as a resource for employees seeking guidance on ethical dilemmas and can ensure that ethical considerations are consistently incorporated into decision-making processes.

3. Provide Ethics Training

Ongoing ethics training is essential for promoting a culture of ethical behavior within an organization. This training should cover relevant laws, regulations, and industry-specific ethical standards, as well as provide guidance on how to navigate ethical dilemmas and make principled decisions.

4. Encourage Open Communication and Reporting

Companies should establish channels for employees and stakeholders to report unethical behavior or raise concerns without fear of retaliation. This open communication fosters an environment of transparency and accountability, allowing potential ethical issues to be addressed promptly and effectively.

5. Lead by Example

Ethical leadership is crucial for embedding business ethics into an organization's culture. Leaders and executives should model ethical behavior and consistently demonstrate a commitment to ethical principles, setting the tone for the entire organization.

6. Collaborate with Stakeholders

Engaging with stakeholders, such as employees, customers, suppliers, and local communities, can provide valuable insights into ethical concerns and potential areas for improvement. By collaborating with stakeholders and incorporating their perspectives, companies can better align their practices with societal expectations and values.

7. Continuous Improvement

Business ethics should be a continuous journey of learning and improvement. Companies should regularly review and update their ethical policies and practices to ensure they remain relevant and aligned with evolving societal expectations and regulatory environments.

Challenges and Considerations

While the implementation of business ethics is essential, it is not without its challenges and considerations. **Some of the key challenges and considerations include:**

1. Conflicting Interests

In some situations, ethical principles may conflict with business interests or short-term profitability goals. Companies must strike a balance between ethical behavior and economic considerations, ensuring that ethical principles are not compromised for the sake of immediate financial gain.

2. Cultural Differences

Business ethics can be influenced by cultural norms and values, which may vary across regions and countries. Companies operating globally must navigate these cultural differences while maintaining a consistent commitment to ethical principles.

3. Regulatory Complexities

The legal and regulatory landscapes surrounding business ethics can be complex and ever-changing. Companies must stay informed about relevant laws and regulations, ensuring compliance while also upholding higher ethical standards that go beyond mere legal requirements.

4. Stakeholder Engagement

Engaging with diverse stakeholders and incorporating their perspectives into ethical decision-making can be challenging, as different stakeholders may have competing interests and priorities.

5. Ethical Dilemmas

In some situations, ethical dilemmas may arise where there is no clear right or wrong answer. Companies must be prepared to navigate these complex scenarios, relying on a robust ethical framework and sound decision-making processes.

6. Monitoring and Enforcement

Ensuring consistent adherence to ethical principles across an entire organization can be a significant challenge, particularly for larger companies with widespread operations. Effective monitoring and enforcement mechanisms are crucial for maintaining ethical standards throughout the organization.

7. Cost and Resource Considerations

Implementing robust ethical practices and initiatives may require substantial financial and human resources. Companies must carefully allocate resources to ensure that ethical programs are adequately funded and supported.

Despite these challenges, the importance of business ethics cannot be overstated. By proactively addressing ethical concerns and fostering a culture of integrity, companies can not only mitigate risks but also establish themselves as responsible corporate citizens, contributing to the greater good of society.

Module-3

Environment

Biodiversity is the abbreviated word for —biological diversity (bio-life or living organisms, diversity- variety). **Thus, biodiversity is the total variety of life on our planet, the total number of races, varieties and species.** The sum of total of various types of microbes, plants and animals (producers, consumers and decomposers) in a system

The term biodiversity was coined in 1985. It refers to the variety of life on Earth at all its levels.

It refers to variabilities among plants, animals and microorganism species. Biodiversity includes the number of different organisms and their relative frequencies in an ecosystem.

The 1992 United Nations Earth Summit defined *biological diversity* as "the variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems "

The Food and Agriculture Organization of the United Nations (FAO) defined biodiversity in 2019 as "the variability that exists among living organisms (both within and between species) and the ecosystems of which they are part.

LEVELS OF BIODIVERSITY

The concept of biodiversity may be analyzed in 3 different levels.

They are 1. Ecosystem diversity

2. Species diversity

3. Genetic diversity

Ecosystem diversity • A set of biotic components (plants, animals and microorganisms) and abiotic components (soil, air, water, etc) interacting with each other is known as an ecosystem. • Ecological biodiversity refers to the variations in the plant and animal species living together and connected by food chains and food webs. • It is the diversity observed among the different ecosystems in a region. Diversity in different ecosystems like deserts, rainforests, mangroves, etc., include ecological diversity.

Species diversity: • A discrete group of organisms of the same kind is known as species. • Species diversity is the diversity between different species. • Species diversity refers to the variety of different types of species found in a particular area. It is the biodiversity at the most basic level. It includes all the species ranging from plants to different microorganism. • No two individuals of the same species are exactly similar. For example, humans show a lot of diversity among themselves.

Genetic diversity: • A species with different genetic characteristics is known as a sub-species or "genera". • Genetic diversity is a measure of the variety of versions of same gene within

individual species. • Within individual species, there are varieties, that are slightly different from one other. These differences are due to differences in the combination of genes. • Genes are the basic units of hereditary information transmitted from one generation to the other. Ex: (i) Rice varieties -However, there are thousands of rice varieties that show variation at the genetic level in the form of different size, shape, colour and nutrient content.

(ii) Teak wood varieties: The various teak wood varieties available are - Indian teak, Burma teak, Malaysian teak etc.

Threats to biodiversity

Any disturbance in a natural ecosystem tends to reduce its biodiversity. Waste generated due to increase in human population and industrialization spoils the environment and leads to decreased diversity in biological species.

Biodiversity is important because it's the foundation of the web of life that provides us with: food, water, medicine, a stable climate, and economic growth.

However, biodiversity is in crisis:

- **Up to one million species are threatened with extinction.**
- **Deforestation is turning parts of the Amazon rainforest from carbon sinks into carbon sources.**
- **85% of wetlands have disappeared.**
- **Extinction rates are accelerating due to human population growth.**
- **WWF's 2024 Living Planet Report** found an average 73% decline in global populations of mammals, fish, birds, reptiles, and amphibians since 1970.
- **The 2019 landmark *Global Assessment Report* by the Intergovernmental Platform on Biodiversity and Ecosystem Services reported 1 million animal and plant species are now threatened with extinction—the highest number in human history.**
- **Three-quarters of the land-based environment and roughly 66% of the ocean environment have been significantly altered.**
- **More than a third of the world's land surface and nearly 75% of freshwater resources are now devoted to crop or livestock production.**

THE TOP 10 CAUSES OF BIODIVERSITY LOSS

1. Habitat loss and fragmentation: The conversion of natural habitats into agricultural land, urban areas and infrastructure development leads to the destruction and fragmentation of habitats, which is the primary cause of biodiversity loss.

Factors influencing habitat loss are:

a. Deforestation: Loss of habitat is mainly caused by deforestation activities. Forests and grasslands are cleared for conversion into agriculture lands or settlement areas or

b. Developmental projects. Forests and grasslands are natural home to thousands of species which disintegrate due to the loss of their natural habitat.

Destruction of wetlands: Wetlands, estuaries and mangroves are destroyed due to farming, filling and pollution that cause loss of biodiversity

c. Habitat fragmentation: When the habitat is divided into small and scattered patches the phenomenon is called habitat fragmentation. This leads to the disappearance of most wildlife

d. Raw material: To produce hybrid seeds, wild plants are used as raw materials leading to extinction of many wild plant species.

e. Production of drugs: Pharmaceutical companies collect wild plants for the production of drugs leading to extinction of several medicinal plant species.

f. Illegal trade: Illegal trade of wildlife reduces biodiversity leading to habitat loss

g. Developmental activities: Construction of dams in forest areas coupled with the discharge of industrial effluents kills birds and other aquatic life.

Poaching of wildlife: Poaching refers to killing animals or commercial hunting. It contributes to loss of biodiversity:

Human population: Increased human population in India has led to pressure on forest resources, leading to degradation of wildlife habitats.

Commercial activities: Although a ban has been imposed internationally on the trade of products of endangered species, there is a continued smuggling of wildlife products. Since trading of such products is highly profitable, poachers continue to hunt endangered animals and smuggle their fur, skin and tusks to other countries. Wildlife products include furs, horns, tusks, live specimens and herbal products.

Invasive species: As ecosystems have evolved to maintain a relative stability of species populations, non-native species introduced to new environments can outcompete native species for resources, prey on them, or transmit diseases. When invasive species are at higher levels of the food chain, they can deplete populations of the prey they feed on. Conversely, when invasive species are in the middle or bottom of the food chain, the native species that feed on them may spike in population as they have an abundance of food, which could have repercussions on the rest of the ecosystem.

Pollution: Air, soil and water pollution can harm species by degrading their habitats, physically harming them, or increasing their vulnerability to diseases or predation. Some pollutants, such as pesticides and heavy metals, can be passed up the food chain, therefore contaminating many levels of the ecosystem.

Climate change: Global warming and the resulting changes in climate patterns have altered habitats, making it challenging for organisms to perform their natural functions or adapt to new conditions. Changes in temperatures or rain patterns, for example, make it different for certain plants to grow or survive, which also affects the species that depend on them.

Disease: The spread of infectious diseases, often facilitated by human activities, can devastate wildlife populations. Organisms have developed natural defences against disease-

inducing microbes native to their region. However, when human activity contaminates ecosystems with non-native microbes, indigenous species are not equipped to combat them.

Genetic pollution: The release of genetically modified organisms or the hybridization of closely related species can lead to the loss of genetic diversity, which is crucial for species' adaptability and resilience.

Ocean acidification: Increases in carbon dioxide levels are responsible for the acidification of oceans, which makes it difficult for marine organisms, like corals, plankton or shellfish, to maintain their protective coating. The result is a decline in these species' populations, as well as those of species that rely on them for food and shelter.

Ecosystem simplification: The conversion of complex, diverse ecosystems into simplified ones, such as monocultures or urban areas, reduces the number of niches available for species and decreases ecosystem resilience.

Man-Wildlife Conflicts: Man-wildlife conflicts arise, when wildlife starts causing immense damage and danger to man. Under such conditions it is very difficult for the forest department officials to convince the affected villagers to gain the villagers support for wildlife conservation.

Ex: 1. In Sambalpur, Orissa, several people were killed by elephants. In retaliation, the villagers killed and injured several elephants.

Policies, Programs & Acts

- **United Nations Convention on Biological Diversity (1992) and Cartagena Protocol on Biosafety;**
- **UN (High Seas Treaty) 2023 Intergovernmental conference on an international legally binding instrument under the UNCLOS on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (GA resolution 72/249)**
- **The Endangered Species Preservation Act. It stated that the U.S. Departments of Interior, Agriculture, and Defense must protect listed species and their habitats. In 1973, after a series of amendments, this original framework expanded and evolved into the Endangered Species Act.**
- **Convention on International Trade in Endangered Species (CITES);**
- **Ramsar Convention (Wetlands);**
- **Bonn Convention on Migratory Species;**
- **UNESCO Convention concerning the Protection of the World's Cultural and Natural Heritage (indirectly by protecting biodiversity habitats)**
- **UNESCO Global Geoparks**

- **Regional Conventions such as the Apia Convention**
- **Bilateral agreements such as the Japan-Australia Migratory Bird Agreement.**
- **Global agreements such as the Convention on Biological Diversity, give "sovereign national rights over biological resources" (not property). The agreements commit countries to "conserve biodiversity", "develop resources for sustainability" and "share the benefits" resulting from their use.**
- **The events like the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the U.N. Biodiversity Conference.**

In May 2020, the European Union published its Biodiversity Strategy for 2030. The biodiversity strategy is an essential part of the climate change mitigation strategy of the European Union.

Restoring biodiversity requires long-lasting changes at all levels of society.

- **Support a move toward a circular economy in** which corporations establish less environmentally destructive—or even beneficial—life cycles for their products.
- We can join together to restore and conserve lands and waters, eventually connecting them with a goal like the **Wilson Biodiversity Foundation's Half Earth Project, which calls on people to dedicate half the planet to nature to ensure thriving biodiversity for future generations.**
- In 2019, the *Global Assessment Report on Biodiversity and Ecosystem Services*, was published by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) which stated that "the state of nature has deteriorated at an unprecedented and accelerating rate". **To fix the problem, humanity will need a transformative change, including sustainable agriculture, reductions in consumption and waste, fishing quotas and collaborative water management.**
- **On September 26th, the fourth edition of World Biodiversity Summit convened alongside the UNGA 79 and Climate Week NYC.** The program focused on pioneering global public-private partnerships to address the urgent need for biodiversity restoration through nature-based solutions and nature-positive investments, bridging the climate and biodiversity agendas.

What are some actions our government leaders can take?

- **Support the Endangered Species Act (ESA)**, the most effective federal conservation law in the United States that protects at-risk wildlife and their habitat. Since its passage in 1970, the ESA has saved 99 percent of listed species from going extinct.
- Strengthen foundational laws like the **Clean Air Act and Clean Water Act** so that they can protect human health and the environment from modern threats.
- Promote sustainable fisheries management to restore depleted stocks and ban destructive industrial fishing practices.
- **Support the creation and protection of national parks, monuments, and wildlife sanctuaries**, which are designed to help biodiversity thrive.

- Advocate for Indigenous sovereignty and center Indigenous leadership within the conservation movement.
- **Invest in regenerative agriculture practices** so all ranchers and farmers can work holistically with their environment.
- Ban all unnecessary uses of toxic pesticides—and better protect pollinators.
- **Advocate for full protection of at least 30 percent of our lands, rivers, lakes, wetlands, and oceans by 2030.** This initiative, known as 30x30, is now backed by hundreds of scientists, NGOs, and governmental bodies-towards the goal of protecting 50 percent of nature by 2050.
- Commit to stopping species extinctions and putting all threatened species on a path to recovery by 2030.
- Eliminate wildlife exploitation, use, and trade that is ecologically unsustainable, illegal.
- **Taken together, these actions mean transformative change**—from how we grow our food to how we design our cities.

Functions of biodiversity: Two main functions of biodiversity are

1. It is the source on which the entire human species depends on for food, fibre, shelter, fuel and medicine.
2. It depends on biosphere which in turn leads to stability in climate, water, soil, air and overall health of biosphere.

Value/ Importance of biodiversity

Thriving biodiversity is necessary for healthy ecosystems, without which we wouldn't have a secure food supply, clean water, essential medicines, or, ultimately, a habitable climate.

Consumptive use value:

- The consumptive use value is the value placed on nature's products that are consumed directly, without passing through a market. Some of them are firewood, food, etc.
- High consumptive use values on resources may lead to the following problems:
 - Over-exploitation of wildlife in developing countries
 - Loss of traditional controls on hunting and

Loss of wildlife populations.

Consumptive use value benefits the communities closest to the resource if harvested sustainably and managed efficiently.

Economic Importance:

- At least 40 percent of the world's economy and 80 percent of the needs of the poor are derived from biological resources.
- Altogether, the food, commercial forestry and ecotourism industries could lose US\$ 338 billion per year if the loss of biodiversity continues at its current pace.
- Around 75 percent of global food crops rely on animals and insects such as bees to pollinate them, but many of these pollinator populations are in decline — which could put more than US\$ 235 billion of agricultural products at risk.

The value of all the services that healthy ecosystems provide is estimated to be in the hundreds of trillions each year. In turn, the destruction of ecosystems and the loss of biodiversity bring cascading economic costs. **That's why the World Economic Forum listed biodiversity loss as a top economic threat in its Global Risks Report of 2022.**

Food Security

Because of global inequality, many of the world's eight billion people don't have adequate food and nutrition. And as climate change worsens the impacts of extreme weather and poverty, more people will struggle to put enough healthy and affordable food on their plates.

One out of every three bites of food relies on pollinators like bees, birds, and bats, whose populations are in steep decline.” **Losses of biodiversity are exacerbating our food challenges.** For example, 20 percent of U.S. fish stocks are currently overexploited.

Flood Protection

Healthy soil that's rich in bacteria, fungi, and bugs is one of the most cost-effective ways to prevent flood damages and protect ecosystems during drought.

In fact, **for every 1 percent increase in organic matter in the soil, cropland in the United States could store an additional 45 million gallons of water, or the amount of water that flows over Niagara Falls in 150 days.** This natural flood protection is even more important as climate change intensifies rainfall events that inundate our farmland, cities, and towns.

Productive use value: • Productive use value refers to products that are commercially harvested (sold in a market). Some of the organisms are commercially usable where the product is marketed and sold. The animal products like tusks of elephants; musk from deer; silk from silkworm; wool from sheep or goats; fur of many animals etc all of which are traded in the market.

Eg: Calabar bean was traditionally used as a poison in West Africa. Daisy plants were first used as a lice remedy in the Middle East and this led to the Discovery of Pyrethrum. Mosquito coils made from Pyrethrum are sold in the market. The bacterium *Bacillus thuringiensis* produces toxic proteins that kill certain insects.

Social value: These are the values associated with the social life, religion and spiritual aspects of the people. Many of the plants are considered to be sacred in our country like Tulasi, Mango leaves, Banana leaves. The leaves, fruits, flowers of some of the plants are used in worship. Many animals like cow, snake, bull, peacock also have significant place in

spiritual and thus hold special importance. Thus, biodiversity has distinct social value, attached with different societies. The loss of biodiversity directly influences the social life of the country .

Aesthetic Value: Beautiful plants and animals inspire us to protect biodiversity. The most important aesthetic value of biodiversity is eco-tourism. Ex: People from distant places spend time and money to visit areas where they can enjoy aesthetic value of biodiversity. This is called eco-tourism.

The growing biotechnology field is searching for the cure for diseases like cancer ,etc.

Medicinal plants and herbs play a very important role in the economic growth of our country are very important for their aesthetic **value**.

According to the World Health Organization, 11 percent of all the world's essential medicines are derived from flowering plants and more are developed each year, from anticancer drugs found in Himalayan fungi to pain-relieving compounds derived from chili peppers.

Ethical Importance

All species have a right to exist. Humans should not cause their voluntary extinction. Biodiversity preserves different cultures and spiritual heritage. Therefore, it is very important to conserve biodiversity.

Biodiversity maintains the stability of ecosystems. Every organism has a role to play. If one species disappears then the environment and food chains for all other species can change.

Declining biodiversity lowers an ecosystem's productivity (the amount of food energy that is converted into the biomass) and lowers the quality of the ecosystem's services (which often include maintaining the soil, purifying water that runs through it, and supplying food and shade, etc.).

Conservation of biodiversity:

The following measures should be taken to conserve biodiversity.

1. Illegal hunting and trade of animals and animal products should be stopped immediately
2. People-at-large should boycott purchasing coats, purse or bags made of animal skin
3. Bio-diversity laws should be strengthened.

Types of conservation:

1. In-situ conservation and

2. Ex-situ conservation

In-situ conservation: In-situ conservation involves protection of flora and fauna within its natural habitat. The natural habitats or ecosystems under in-situ conservation are called "protected areas". a.Biosphere reserves b. National parks c. Wildlife sanctuaries d. Gene sanctuaries

Advantages of in-situ conservation -It is cheap and convenient.

Disadvantages of in-situ conservation -A large surface area of earth is required to preserve biodiversity Maintenance is not proper due to shortage of staff and pollution

Ex-situ conservation involves protection of flora and fauna outside their natural habitats. This type of conservation is mainly done for conservation of crop varieties and wild relatives of crops.

Important centers of ex-situ conservation:

1. Botanical gardens
2. Seed banks
3. Microbial culture collections
4. Tissue and cell cultures
5. Museums and
6. Zoological gardens

Advantages of Ex-situ conservation

Survival of endangered species is increasing due to special care and attention.

Environmental degradation is the process by which the natural environment is compromised, reducing its health and biological diversity. It can be caused by natural processes or human activities.

Some examples of environmental degradation include:

- **Habitat destruction**-Deforestation, overfishing, and other unsustainable practices destroy habitats and release greenhouse gases.
- **Pollution**-Air pollution, plastic pollution, and other forms of pollution can degrade the environment.
- **Resource depletion**-Depletion of resources like fresh water, arable land, and minerals can lead to scarcity.
- **Climate change**-Environmental degradation contributes to climate change by releasing greenhouse gases and disrupting natural carbon sinks.

Climate change refers to long-term shifts in temperatures and weather patterns. Such shifts can be natural, due to changes in the sun's activity or large volcanic eruptions. But since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil and gas.

Causes of Climate Change

- Human activities are causing world temperatures to rise, posing serious threats to people and nature.

- Fossil fuels – coal, oil and gas – are by far the largest contributor to global climate change, accounting for over 75 per cent of global greenhouse gas emissions and nearly 90 per cent of all carbon dioxide emissions.
- As greenhouse gas emissions blanket the Earth, they trap the sun's heat. This leads to global warming and climate change.

Effects of Climate Change:

- **Hotter temperatures**
- **More severe storms**
- **Increased drought**
- **A warming, rising ocean**
- **Loss of species**
- **Not enough food**
- **More health risks**
- **Poverty and displacement**

Statistics:

- About 3.3 to 3.6 billion people are highly vulnerable to climate change, according to the (Intergovernmental Panel on Climate Change (IPCC)).
- People living in poorer countries are expected to suffer most as they have fewer resources to adapt.
- more frequent and intense extreme weather, such as heatwaves and heavy rainfall
- rapid melting of glaciers and ice sheets, contributing to sea-level rise
- huge declines in Arctic sea-ice
- warmer oceans, which can fuel more intense storms and hurricanes and damage wildlife such as coral reefs in 2022, parts of East Africa suffered their worst drought for 40 years, putting more than 20 million people at risk of severe hunger.
- Climate change has made droughts like this at least 100 times more likely, the WWA says.

These changes are already having serious consequences for people and economies around the world.

Global / UN actions to combat climate change :

- **The 2015 Paris Climate Agreement—to lower their emissions by setting new standards and crafting new policies to meet or even exceed those standards.**
- **To avoid the worst impacts of climate change, scientists tell us that we need to reduce global carbon emissions by as much as 40 percent by 2030.**

- The global community must take immediate, concrete steps: to decarbonize electricity generation by equitably transitioning from fossil fuel-based production to renewable energy sources like wind and solar; to electrify our cars and trucks; and to maximize energy efficiency in our buildings, appliances, and industries.

WBCSD

(World Business Council for Sustainable Development)

- **Founded : 1995**
- **Founder : Stephan Schmidheiny**
- **Focus : Sustainable Development**
- **Location : Geneva, Switzerland**

It is a CEO-led organization of over 225 international companies and is also connected to 60 national and regional business councils and partner organizations.

The council works on a variety of issues related to the Sustainable Development Goals (SDGs) through the transformation of six economic systems:

- *Circular Economy,*
- *Cities and Mobility,*
- *Climate and Energy,*
- *Food, Land and Water,*
- *People,*
- *Redefining Value*

Each system transformation is set up as a WBCSD Program with a number of supplementary Projects.

The World Business Council for Sustainable Development (WBCSD) has several messages for businesses, including:

- **Businesses can lead the transition to a low-carbon economy**
- **Businesses can work together to implement solutions at scale.**
- **Businesses need to support policy design**
- **Businesses can support policies that incentivize sustainable transformation.**
- **Businesses need to invest in sustainable outcomes**
- **Businesses can direct investment towards socially, environmentally, and financially sustainable outcomes.**
- **Businesses can enable individuals to make sustainable choices**
- **Businesses can provide people with the options and incentives they need to make more sustainable choices.**

- **Businesses need to collaborate with enablers of transformation**
- **Businesses can't make transformation happen on their own, so they need to collaborate with other enablers of transformation.**
- **Businesses need to focus on areas that lead to systems transformations**
- **Businesses need to focus their actions on areas that can lead to systems transformations.**
- **Businesses need to prepare a robust business case**
- **Businesses can use impact tables to outline the specific impacts of each sustainability opportunity.**

WBCSD also has a vision for a world where more than 9 billion people are able to live well by 2050.

Some Important short notes:

Environment management System (EMS)

EMS is a set of policies, procedures, and practices that helps to manage the environmental impacts and comply with relevant regulations.

- An EMS is a framework that helps to identify, monitor, and reduce environmental impacts. It also helps to comply with legal and other requirements, such as industry standards, customer expectations, or voluntary commitments.
- An EMS can cover various aspects of business, such as energy use, waste management, water consumption, emissions, resource efficiency, biodiversity, and social responsibility.
- Moreover, an EMS can facilitate innovation and differentiation by developing new products or services that reduce environmental impacts.
- Finally, it can help manage risks and opportunities by identifying environmental aspects and anticipating changing regulations.

Environmental partnership also refers to the International Environmental Partnership (IEP), which was established in 2014 by the Environmental Protection Administration of Taiwan and the United States Environmental Protection Agency. A non-profit organization of companies in the US oil and gas industry that work to improve the industry's environmental performance.

The organization was founded in 2017 and is administered by the American Petroleum Institute. The Environmental Partnership's goals include:

- Taking action to improve environmental performance
- Learning about best practices and technologies
- Fostering collaboration
- Developing natural gas and oil resources

The IEP is an international platform that brings together experts to work on environmental challenges and exchange best practices.

What is Product Stewardship

Product stewardship is an approach to managing the environmental impacts of different products and materials and at different stages in their production, [use](#) and disposal.

Product Stewardship is an *Environmental Management Strategy* that means *whoever designs, produces, sells, or uses a product*, takes responsibility for minimizing the product's environmental impact throughout all stages of the products' life cycle, including end of life management.

It acknowledges that those involved in producing, selling, using and disposing of products have a shared responsibility to ensure that those products or materials are managed in a way that reduces their impact, throughout their lifecycle, on the environment and on human health and safety.

This approach focusses on the product itself, and everyone involved in the lifespan of the product is called upon to take up responsibility to reduce its environmental, health, and safety impacts.

For manufacturers, this includes planning for, and if necessary, paying for the recycling or disposal of the product at the end of its useful life. This may be achieved, in part, by redesigning products to use fewer harmful substances, to be more durable, reusable and recyclable, and to make products from recycled materials.

For retailers and consumers, this means taking an active role in ensuring the proper disposal or recycling of an end-of-life product.



Example:

- 1. Design:** Coca-Cola designs bottles using lightweight plastic for easier recycling.
- 2. Manufacturing:** Factories use renewable energy and recycle water during production.
- 3. Distribution:** Bottles are transported in eco-friendly packaging to reduce emissions.
- 4. Usage:** Consumers are encouraged to recycle bottles after use through awareness campaigns.
- 5. End-of-Life:** Collected bottles are sent to recycling plants where they are processed into new bottles (bottle-to-bottle recycling).

Coca-Cola creates a circular system where bottles are reused, reducing raw material usage and waste.

- **Our focus areas: Water Stewardship, In Our Products, Sustainable Agriculture, Climate Action, Product Quality & Safety and Sustainable Packaging**
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What is EPR/PPR

In environmental law, the polluter pays principle is enacted to make the party responsible for producing pollution responsible for paying for the damage done to the natural environment.

- It has received in most Organisation for Economic Co-operation and Development (OECD) and European Union countries. It is a fundamental principle in US environmental law
- The polluter pays principle underpins environmental policy such as an ecotax, which, if enacted by government, deters and essentially reduces greenhouse gas emissions.

EPR is an application of the Polluter Pays Principle.

Extended producer responsibility (EPR) is a policy approach that assigns producers greater responsibility for the end-of-life management of the products they introduce to the market and encourages innovations in product design.

EPR is sometimes thought of as a mandatory type of product stewardship.

Companies must show in their reports that they follow Extended Producer Responsibility (EPR) rules. This is especially important in industries with strict environmental laws. EPR makes producers responsible for their products throughout the entire life cycle. This includes recycling, waste management, and disposal.

The e-Waste (Management and Handling) Rules, 2011 recognizes producers' liability for recycling and reducing e-waste in the country. The e-waste (Management and Handling) Rules, 2011 introduced 'extended producer responsibility'.

What is an Environmental Audit

An environmental audit is a type of evaluation intended to identify environmental compliance and management system implementation gaps, along with related corrective actions. It's a systematic process that evaluates a company's environmental performance and compliance with environmental regulations.

The goal of an environmental audit is to identify areas for **improvement, minimize negative environmental impacts, and ensure employee safety.**

Indian Environmental Laws

In India, Environmental law is governed by the Environment Protection Act, 1986. This act is enforced by the Central Pollution Control Board and the numerous State Pollution Control

Boards. Apart from this, there are also individual legislation specifically enacted for the protection of Water, Air, Wildlife, etc.

Some of the significant legislations are:

- **The Water (Prevention and Control of Pollution) Act, 1974**
- **The Water (Prevention and Control of Pollution) Cess Act, 1977**
- **The Forest (Conservation) Act, 1980**
- **The Air (Prevention and Control of Pollution) Act, 1981**
- **Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983**
- **The Biological Diversity Act, 2002 and the Wild Life Protection Act, 1972**
- **Batteries (Management and Handling) Rules, 2001**
- **Recycled Plastics, Plastics Manufacture and Usage Rules, 1999**

ENVIRONMENTAL POLLUTION

Pollution may be defined as an undesirable change in the physical, chemical or biological characteristics of air, water and land that may be harmful to human life and other animals, living conditions, industrial processes and cultural assets.

Pollution can be natural or manmade.

The agents that pollute are called pollutants.

Pollutants are of two types:

1. Non-degradable pollutants: These are the pollutants, which degrade at a very slow pace by the natural biological processes. These are inorganic compounds such as salts (chlorides), metallic oxides waste producing materials and materials like, aluminum cans, mercuric salts and even DDT.

2. Biodegradable pollutants: These include domestic sewage that easily decomposes under natural processes and can be rapidly decomposed by natural/ artificial methods. These cause serious problems when accumulated in large amounts as the pace of deposition exceeds the pace of decomposition of disposal.

What is Air pollution?

Air pollution refers to any physical, chemical or biological change in the air. It is the contamination of air by harmful gases, dust and smoke which affects plants, animals and humans drastically. It occurs when any harmful gases, dust, smoke enters into the atmosphere and makes it difficult for plants, animals and humans to survive as the air becomes dirty.

Air Pollutants:

They are the substances which pollute the air. Some of the common pollutants are dust, ash, carbon monoxide, excess of carbon dioxide, Sulphur dioxide, oxides of nitrogen,

hydrocarbons, chlorofluorocarbons (CFC), lead compounds, asbestos dust, cement dust, pollens and radioactive rays.

Types of Air Pollutants

There are two types of air pollutants:

1. Primary Pollutants The pollutants that directly cause air pollution are known as primary pollutants. Sulphur- dioxide emitted from factories is a primary pollutant.

2. Secondary Pollutants The pollutants formed by the intermingling and reaction of primary pollutants are known as secondary pollutants. Smog, formed by the intermingling of smoke and fog, is a secondary pollutant.

Sources of Air Pollution:

The pollution of air can be caused by natural processes or by human activities. The sources of air pollution are classified into two groups:

1. Natural Sources
2. Manmade sources

Natural Sources of Air Pollution: They are dust storms, forest fires, ash from smoking volcanoes, decay of organic matters and pollen grains floating in air.

Manmade Sources of Air Pollution:

They are population explosion, deforestation, urbanization and industrialization, whose effects can be explained as follows:

1. Burning of fuels like wood, cow dung cakes, coal and kerosene in homes pollute the air.
2. Exhaust gases emitted by motor vehicles which pollute the air are the major source of air pollution in big cities.
3. Industries pollute air by releasing various types of pollutants such as sulphur dioxide, oxides of carbon, nitrogen oxide, chlorine, asbestos dust and cement dust.
4. Thermal power plants pollute air by emitting sulphur dioxide and fly-ash.
5. Nuclear power plants pollute air by releasing radioactive rays.
6. Use of fertilizers and pesticides in agriculture pollute the air.
7. Mining activities releases particulate matter into the air and pollutes it.
8. Indiscriminate cutting of trees and clearing of forests increases the amount of carbon dioxide in the atmosphere and thereby pollutes it.
9. Use of chlorofluorocarbons in refrigeration, fire extinguishers and aerosol sprayers pollutes air by depleting the ozone layer.
10. Smoke pollutes air by emitting carbon monoxide.

Other Causes of Air pollution:

Causes of Air pollution: Following are the important causes of air pollution:

1. **Burning of Fossil Fuels** The combustion of fossil fuels emits a large amount of Sulphur dioxide. Carbon monoxide released by incomplete combustion of fossil fuels also results in air pollution.
2. **Automobiles** The gases emitted from vehicles such as jeeps, trucks, cars, buses, etc. pollute the environment. These are the major sources of greenhouse gases and also result in diseases among individuals.
3. **Agricultural Activities** Ammonia is one of the most hazardous gases emitted during agricultural activities. The insecticides, pesticides and fertilizers emit harmful chemicals in the atmosphere and contaminate it.
4. **Factories and Industries** Factories and industries are the main source of carbon monoxide, organic compounds, hydrocarbons and chemicals. These are released into the air, degrading its quality.

Eg. [Taj Mahal getting yellowish-black because of Mathura Refinery](#)

5. **Mining Operations:** Mining is a process wherein minerals below the earth are extracted using large equipment. During the process dust and chemicals are released in the air causing massive air pollution. This is one of the reason which is responsible for the deteriorating health conditions of workers and nearby residents.
6. **Domestic Sources** The household cleaning products and paints contain toxic chemicals that are released in the air. The smell from the newly painted walls is the smell of the chemicals present in the paints. It not only pollutes the air but also affects breathing.

Effects of Air pollution

1. **Respiratory and Heart problems:** The effects of Air pollution are alarming. They are known to create several respiratory and heart conditions along with Cancer, among other threats to the body. Several millions are known to have died due to direct or indirect effects of Air pollution. Children in areas exposed to air pollutants are said to commonly suffer from pneumonia and asthma.

2. **Global Warming:** Another direct effect is the immediate alterations that the world is witnessing due to Global warming.

With increased temperatures worldwide, increase in sea levels and melting of ice from colder regions and icebergs, displacement and loss of habitat have already signaled an impending disaster if actions for preservation and normalization aren't undertaken soon.

3. **Acid Rain:** Harmful gases like nitrogen oxides and sulfur oxides are released into the atmosphere during the burning of fossil fuels. When it rains, the water droplets combines with these air pollutants, becomes acidic and then falls on the ground in the form of acid rain. Acid rain can cause great damage to human, animals and crops.

4. Eutrophication: Eutrophication is a condition where high amount of nitrogen present in some pollutants gets developed on sea's surface and turns itself into algae and adversely affect fish, plants and animal species. The green colored algae that is present on lakes and ponds is due to presence of this chemical only.

5. Effect on Wildlife: Just like humans, animals also face some devastating affects of air pollution. Toxic chemicals present in the air can force wildlife species to move to new place and change their habitat. The toxic pollutants deposit over the surface of the water and can also affect sea animals.

6. Depletion of Ozone layer: Ozone exists in earth's stratosphere and is responsible for protecting humans from harmful ultraviolet (UV) rays. Earth's ozone layer is depleting due to the presence of chlorofluorocarbons, hydro chlorofluorocarbons in the atmosphere. As ozone layer will go thin, it will emit harmful rays back on earth and can cause skin and eye related problems. UV rays also have the capability to affect crops.

Solutions to curb Air Pollution

1. Use public mode of transportation: Encourage people to use more and more public modes of transportation to reduce pollution. Also, try to make use of carpooling. If you and your colleagues come from the same locality and have same timings you can explore this option to save energy and money.
2. Conserve energy: Switch off fans and lights when you are going out. Large amount of fossil fuels are burnt to produce electricity. You can save the environment from degradation by reducing the amount of fossil fuels to be burned.
3. Emphasis on clean energy resources: Clean energy technologies like solar, wind and geothermal are on high these days. Governments of various countries including India have been providing grants to consumers who are interested in installing solar panels for their home. This will go a long way to curb air pollution.

Eg: The Canal in Gujarat and A village near Ladakh

5. Use energy efficient devices: CFL/LED lights consume less electricity as against their counterparts. They live longer, consume less electricity, lower electricity bills and also help you to reduce pollution by consuming less energy.

Some measures that can be adopted in this direction are:

1. Using unleaded petrol
2. Using fuels with low Sulphur content
3. Encouraging people to use public transport, walk or use a cycle as opposed to private vehicles
4. Ensure that houses, schools, restaurants and playgrounds are not located on busy streets

5. Plant trees along busy streets as they remove particulates, carbon dioxide and absorb noise
6. Industries and waste disposal sites should be situated outside the city preferably on the downwind of the city.
7. Catalytic converters should be used to help control emissions of carbon monoxide and hydrocarbons

Control measures in Industrial Centers...

1. Emission rates should be restricted to permissible levels by each and every industry and that must be monitored by National Green Tribunal (NGT).
2. Incorporation of air pollution control equipment in design of plant layout must be made mandatory NGT.
3. Continuous monitoring of the atmosphere for pollutants should be carried out to know the emission levels by NGT.

Air prevention act 1981

- This act was enacted in the conference held at Stock Holm. It envisages the establishments of central and State control boards to monitor air quality and pollution control.

Important features:

- The central board may lay down the standards for quality of air.
- The central board co-ordinates and settle the disputes between state boards

The central board provides technical assistance and guidance to state boards.

- The state boards are empowered to lay down the standards for emission of air pollutants from industries or other resources.
- The state boards are to examine the manufacturing processes and control equipment for the prescribed standards.
- The direction of central board is mandatory on state boards.
- With out the consent of the central board operation of an industrial unit is prohibited in heavily polluted area.
- Violation of law is punishable with imprisonment for three months or fine of Rs 10000 or both.

This act applies to all pollution industries. This act empowers the state board to order closure of any industrial unit or stoppage of water supply or stoppage of electricity.

Water Pollution

Our Earth is with about 70% of its cover being water, it undeniably becomes one of our greatest resources. However, a closer inspection of our water resources today, give us a rude shock!!!

Water Pollution has taken toll of all the surviving species of the earth. Almost 60% of the species live in water bodies. Water pollution is the contamination of water bodies (like oceans, seas, lakes, rivers, aquifers, and groundwater) usually caused due to human activities. Water pollution is any change in the physical, chemical or biological properties of water that will have a detrimental consequence of any living organism.

Sources of Water Pollution

Some of the most commonly occurring water pollutants are

- Domestic Waste
- Industrial effluents
- Insecticides and pesticides
- Detergents and Fertilizers

Some of the water pollution that is caused is by **Direct Sources**, such as factories, waste management facilities, refineries etc, that directly release waste and harmful by-products into the nearest water source without treating them.

Indirect sources include pollutants that enter the water bodies via groundwater or soil or via the atmosphere as acid rain.

Causes of Water Pollution

1. **Industrial Waste:** Industries produce huge amount of waste which contains toxic chemicals and pollutants which can cause air pollution and damage to us and our environment. They contain pollutants such as lead, mercury, sulphur, asbestos, nitrates and many other harmful chemicals. Many industries do not have proper waste management system and drain the waste in the fresh water which goes into rivers, canals and later in to sea. The toxic chemicals have the capability to change the color of water, increase the amount of minerals, also known as Eutrophication, change the temperature of water and pose serious hazard to water organisms.
2. **Sewage and Waste Water:** The sewage and waste water that is produced by each household is chemically treated and released in to sea with fresh water.
3. **Mining activities:** Mining is the process of crushing the rock and extracting coal and other minerals from underground. Mining activities emit several metal waste and sulphides from the rocks and is harmful for the water.
4. **Marine Dumping:** The garbage produced by each household in the form of paper, aluminum, rubber, glass, plastic, food if collected and deposited into the sea in many countries. These items take from 2 weeks to 200 years to decompose. When such items enter the sea, they not only cause water pollution but also harm animals in the sea.
5. **Accidental Oil leakage:** Oil spill pose a huge concern as large amount of oil enters into the sea and does not dissolve in water; there by opens problem for local marine wildlife such as fish, birds and sea otters.
6. **Burning of fossil fuels:** Fossil fuels like coal and oil when burnt produce substantial amount of ash in the atmosphere. The particles which contain toxic chemicals when mixed with water vapor result in acid rain. Also, carbon dioxide is released from burning of fossil fuels which result in global warming.

7. **Chemical Fertilizers and Pesticides:** Chemical fertilizers and pesticides are used by farmers to protect crops from insects and bacterial infections. They are useful for the plants growth. However, when these chemicals are mixed up with water produce harmful for plants and animals. Also, when it rains, the chemicals mixes up with rainwater and flow down into rivers and canals which pose serious damages for aquatic animals.
8. **Leakage from the landfills:** Landfills are nothing but huge pile of garbage that produces awful smell and can be seen across the city. When it rains, the landfills may leak and the leaking landfills can pollute the underground water with large variety of contaminants.
9. **Animal Waste:** The waste produce by animals is washed away into the rivers when it rains. It gets mixed up with other harmful chemicals and causes various water borne diseases like cholera, diarrhea, jaundice and typhoid.
10. **Underground storage leakage:** Transportation of coal and other petroleum products through underground pipes is well known. Accidentals leakage may happen anytime and may cause damage to environment and result in soil erosion.

Effects of Pollution of Water

1. Diseases: In humans, drinking or consuming polluted water in any way has many disastrous effects on our health. It causes typhoid, cholera, hepatitis and various other diseases.

2. Destruction of Ecosystems: Ecosystems are extremely dynamic and respond to even small changes in the environment. Water pollution can cause an entire ecosystem to collapse if left unchecked.

3. Eutrophication: Chemicals in a water body, encourage the growth of algae. These algae form a layer on top of the pond or lake. Bacteria feed on this algae and this decreases the amount of oxygen in the water body, severely affecting the aquatic life there.

4. Disrupts the food chain: Disruption in food chains happens when toxins and pollutants in the water are consumed by aquatic animals (fish, shellfish etc) which are then consumed by humans.

Control measures of Water Pollution...

- Administration of water pollution control should be in the hands of state or central government...
- Scientific techniques should be adopted for environmental control of catchment areas of rivers, ponds or streams...
- Industrial plants should be based on recycling operations as it helps prevent disposal of wastes into natural waters but also extraction of products from waste...
- Plants trees and create forest covers to control pollution as they act as natural air conditioners...
- Trees are capable of reducing sulphur dioxide and nitric oxide pollutants and hence more trees should be planted.

- No pollutants/waste (treated, partially treated or untreated) should be discharged into any natural water body.
- Industries should develop closed loop water supply schemes and domestic sewage must be used for irrigation after purification process.
- Qualified and experienced experts must be consulted from time to time for effective control of water pollution.
- Public awareness must be initiated regarding adverse effects of water pollution across media platforms.
- Laws, standards and practices should be established to prevent water pollution and these laws should be modified from time to time based on current requirements and technological advancements. This has been achieved by the formation of NGT.
- Basic and applied research in public health engineering should be encouraged by the current Govt. Eg: Swach Bharat India Campaign by Govt. India

Water (prevention and control of pollution) Act.1974.

This act provides for maintaining and restoring the sources of water. It also provides for preventing and controlling water pollution.

Features of water act.

This act aims to protect the water from all kind of pollution and to preserve the quality of water in all aquifers.

- The act further provides for the establishment of central board and state boards for prevention of water pollution.
- The states are empowered to restrain any person from discharging a pollutant (or) sewage or) effluent into any water body without the consent of the board

To establish any industry or any treatment and disposal system or any extension or addition which likely discharge or trade effluent into a stream or well or river or on land.

- To use any new or altered outlet for the discharge of sewage.
- To begin to make any new discharge of sewage.
- Act also empowers the state board to order closure or stoppage of supply of electricity, water or any other service to the polluting unit.

Soil Pollution in India

Soil pollution is defined as, “contamination of soil by human and natural activities which may cause harmful effect on living organisms”.

Causes of Soil Pollution :

1. Industrial wastes:- – Disposal of Industrial wastes is the major problem for soil pollution. This has probably been the biggest contributor in the last century, especially from mining and manufacturing, as the by-products are often contaminated, and not disposed of properly.

2. Urban wastes — Urban wastes comprise of both commercial and domestic wastes consisting of garbage and rubbish materials like plastics, glasses, metallic cans, fibres, paper, rubbers etc. Urban wastes, can be dangerous. This happens because they are not easily degraded.

3. Agricultural practices —Modern agricultural practices pollute the soil to a large extent. With the advancing agro-technology, huge quantities of fertilizers, pesticides, herbicides and weedicides are added to increase the crop yield. They are full of chemicals that are not produced in nature and cannot be broken down by it. As a result, they seep into the ground after they mix with water and slowly reduce the fertility of the soil.

4. Radioactive pollutants/ - Radioactive substances resulting from explosions of nuclear testing Soil contamination or soil pollution is caused by the presence of xenobiotic (human-made) chemicals or other alteration in the natural soil environment. It is typically caused by industrial activities, agricultural use of chemicals, or improper disposal of waste.

The main reason why the soil becomes contaminated is due to the presence of man -made waste. The waste produced from nature itself such as dead plants, carcasses of animals and rotten fruits and vegetables only adds to the fertility of the soil.

However, our waste products are full of chemicals that are not originally found in nature and lead to soil pollution.

Effects of Soil Pollution

1. Effect on Health of Humans: Considering how soil is the reason we are able to sustain ourselves, the contamination of it has major consequences on our health. Crops and plants grown on polluted soil absorb much of the pollution and then pass these on to us. This could explain the sudden surge in small and terminal illnesses.

Eg: News Report of Ban of sale of Leafy Vegetables in Bhopal from specific areas

2. Effect on Growth of Plants: The ecological balance of any system gets affected due to the widespread contamination of the soil. Most plants are unable to adapt when the chemistry of the soil changes so radically in a short period of time. Fungi and bacteria found in the soil that bind it together begin to decline, which creates an additional problem of soil erosion.

The fertility slowly diminishes, making land unsuitable for agriculture and any local vegetation to survive. The soil pollution causes large tracts of land to become hazardous to health.

3. Decreased Soil Fertility: The toxic chemicals present in the soil can decrease soil fertility and therefore decrease in the soil yield. The contaminated soil is then used to produce fruits and vegetables which lacks quality nutrients and may contain some poisonous substance to cause serious health problems in people consuming them.

4. Toxic Dust: The emission of toxic and foul gases from landfills pollutes the environment and causes serious effects on health of some people. The unpleasant smell causes inconvenience to other people.

5. Changes in Soil Structure: The death of many soil organisms (e.g. earthworms) in the soil can lead to alteration in soil structure. Apart from that, it could also force other predators to move to other places in search of food.

Solution:

A number of ways have been suggested by experts to curb the current rate of soil pollution.

1. Make people aware about the concept of Reduce, Recycle and Reuse.
2. Reduce the use of pesticides and fertilizers in agricultural activities.
3. Avoid buying packages items as they will lead to garbage and end up in landfill site.
4. Ensure that you do not litter on the ground and do proper disposal of garbage.
5. Buy biodegradable products.
6. To practice Organic gardening and eat organic food that will be grown without the use of pesticides.
7. Create dumping ground away from residential areas.

Marine Pollution

The discharge of waste substances in to the sea resulting in harm to the living resources, hazards to the human health hindrances to the fishery and impairment of quality use of sea water.

Causes :

1. Dumping the wastes: Dumping of untreated wastes and sewages in the oceans by coastal towns, cities and industries. Rivers on the way to sea carry huge amount of sewage garbage agricultural discharge pesticide heavy metals. Huge quantity of plastic dumped in to the sea.
2. Oil: This is discharged in to the sea as crude oil and as separate fraction. Oil and it's fractions are used in houses automobiles and industries. This causes devastation of marine environment
3. Radioactive materials enter the ocean from nuclear weapon testing.
4. Toxics: Toxic waste is the most harmful form of marine pollution. Once toxic wastes affects an organism it quickly passes along the food chain and as sea food which cause various problems.
5. Marine Debris: Garbage like plastic bags, ropes helium balloons

- **Effects of marine pollution**

- Heavy metals and organic pollutants damages birds by thinning of egg shells and tissue damage of egg.
- Oil pollution causes damage to marine animals and plants including algae bird, fish etc.
- Oil spilling in the sea causes abnormal low body temperature in birds resulting in hypothermia. During Exxon Valdez accident 150 rare species of bald eagles are affected by ingested oil. Oil films are able to retard the rate of oxygen uptake by water.
- Hydrocarbon and benzopyrene accumulate in food chain and consumption of fish by man may cause cancer. Many marine birds ingest plastic that causes gastrointestinal disorders.
- Oil spills inhibit photosynthesis and the growth of planktons. All aquatic animals depend either directly or indirectly on planktons the basis of tropic chain.

Control of marine pollution

- The industrial unit on the coastal lines should be equipped with pollution control instrument.
- Methods of removal of oil by skimming the oil off the surface with suction device or Chemical methods like dispersion, emulsification etc.
- Municipal and industrial waste should be treated before disposing in to sea
- Coastal waste are periodically analyzed for detecting pollution level
- Soil erosion in the coastal land should be arrested by suitable techniques
- Recreation beaches should be maintained to meet hygienic and aesthetic standard.

Noise Pollution

Definition...

Noise Pollution Noise pollution means an unwanted or undesirable sound that leads to physical and mental problems.

Causes of Noise Pollution

Industrialization: Industrialization has led to an increase in noise pollution as the use of heavy machinery such as generators, mills, huge exhaust fans are used, resulting in the production of unwanted noise.

Vehicles: Increased number of vehicles on the roads are the second reason for noise pollution.

Events: Weddings, public gatherings involve loudspeakers to play music resulting in the production of unwanted noise in the neighborhood.

Construction sites: Mining, construction of buildings, etc add to the noise pollution.

Effects of Noise Pollution

Noise pollution can be hazardous to human health in the following ways:

Hypertension: It is a direct result of noise pollution which is caused due to elevated blood levels for a longer duration.

Hearing loss: Constant exposure of human ears to loud noise that are beyond the range of sound that human ears can withstand damages the eardrums resulting in loss of hearing.

Sleeping disorders: Lack of sleep might result in fatigue and low energy level throughout day affecting everyday activities. Noise pollution hampers the sleep cycles leading to irritation and uncomfortable state of mind.

Cardiovascular issues: Heart-related problems such as blood pressure level, stress, and cardiovascular diseases might come up in a normal person .

Preventive measures

1. Prescribing noise limits for vehicular traffic
2. Ban on honking (usage of horns) in certain areas
3. Creation of silence zones near schools and hospitals
4. Redesigning buildings to make them noise proof
5. Reduction of traffic density in residential areas
6. Giving preference to mass public transport system.

On a personal level, everybody can help reducing the noise in their homes by lowering the volume of the radio, music system and the television. Listening to music with headphones is also a good step forward. Removal of public loudspeakers is another way in which the pollution can be countered, controlling the sound levels in clubs, bars, parties and discos.

Better urban planning can help in creating ‘No-Noise’ zones, where honking / hooting and industrial noise is not tolerated.

Nuclear Hazards

Nuclear pollution is the physical pollution of air, water and soil by radioactive materials. Nuclear energy can be both beneficial and harmful depending on the way in which it is used. Approximately 17 % of the electrical energy generated in the world comes from nuclear power plants. **However, on the other hand it is impossible to forget the destruction that nuclear bombs caused the cities of Hiroshima and Nagasaki.** The radioactive wastes from nuclear energy have caused serious environmental damage.

Causes

Nuclear accidents from nuclear energy generation plants: In the postmodern world, various forms of energy are being discovered. Among them is nuclear energy, which is touted to be the most potent source of energy due to its high latent power. Reports indicate that the high latent power is due to its high level of radiation.

The use of nuclear weapons: The use of nuclear missiles and atomic bombs, a form of nuclear energy, in the Second World War not only explains cause but also the damaging nature of radioactive pollution or contamination.

Use of radio isotopes: Radio isotopes are used to make detectors and in other industrial activities. Isotopes such as uranium have high concentrations of radiation in them. On the

other hand, common Isotopes such as carbon containing radioactive material are easily found in water ways through sewage lines.

Cosmic rays: These come from outer space to our planet with intense radiation as their nature, therefore, causing radioactive pollution. Gamma rays, for example, are said to have the highest level of radiation and yet, depending on their intensity.

Effects of nuclear hazards:

All organisms are affected from radiation pollution, and the effects are extremely dangerous. The effects may be somatic (individual exposed is affected) or genetic (future generations) damage. the effects are cancer, shortening of life span and genetic effects or mutations.

Some of the possible effects are listed as under:

- Break DNA in cells
- Man do not die, but suffer from fatigue, nausea, vomiting and loss of hair
- Bone marrow is affected & blood cells are reduced.
- Kill organism by damaging the tissue of heart and brain.
- Develops different types of cancer
- Through food chain also, radioactivity effects are experienced by man

But the most significant effect of radioactivity is that it causes long range effects, affecting the future of man and hence the future of our civilizations.

Control Measures.

Laboratory generated nuclear wastes should be disposed off safely and scientifically.

Leakage of radioactive elements from nuclear reactors, careless use of radioactive elements as fuel and careless handling of radioactive isotopes must be prevented.

Safety measure against accidental release of radioactive elements must be ensured in nuclear plants. Unless absolutely necessary, one should not frequently go for diagnosis by x-rays.

Regular monitoring of the presence of radioactive substance in high-risk area should be ensured

Urban and Industrial Waste

What is Urban Waste?

Urban Solid Wastes are the material that arises from various human and economic activities. It is being produced since the beginning of civilization. Ever increasing population growth, urbanization and industrialization are contributing to the generation of solid waste in huge quantities.

Types of Solid Wastes:

Depending on the nature of origin, solid wastes are classified into...

1. Urban Or Municipal Wastes

2. Industrial Wastes and
3. Hazardous Wastes

Urban wastes include the following...

Domestic wastes: This containing a variety of materials thrown out from homes

Ex: Food waste, Cloth, Waste paper, Glass bottles, Polythene bags, Waste metals, etc.

Commercial wastes: It includes wastes coming out from shops, markets, hotels, offices, institutions, etc.

Ex: Waste paper, packaging material, cans, bottle, polythene bags, etc.

Construction wastes: It includes wastes of construction materials.

Ex: Wood, Concrete, Debris, etc.

Biomedical wastes: It includes mostly waste organic materials

Ex: Anatomical wastes, Infectious wastes, etc.

Classification of Urban Wastes...

Urban Waste can be classified through various methods on the basis of physical state (solid, liquid and gaseous) and then within solid waste.

Bio-Degradable Wastes - Those wastes that can be degraded by micro organisms are called bio-degradable wastes

Ex: Food, vegetables, animal/human excreta, dry plants/leaves, etc.

Non-Biodegradable Wastes: Urban solid waste materials that cannot be degraded by micro-organisms are called non-biodegradable wastes.

Ex: Plastic bags, scrap metals, earthen pots, materials, glass bottles, etc.

The main source of industrial wastes are chemical industries, metal and mineral processing industries.

Ex: Nuclear Power plants: It generated radioactive wastes

Thermal power plants: It produces fly ash in large quantities

Chemical Industries: It produces large quantities of hazardous and toxic materials.

Other industries: Other industries produce packaging materials, rubber, organic wastes, acid, alkali, scrap metals, tyres, plastic, paper, glass, wood, oils, paints, dyes etc.

Effect of Improper Solid Waste Management:

Due to improper disposal of municipal solid waste on the roads and immediate surroundings, biodegradable materials undergo decomposition producing foul smell and become a breeding ground for various diseases.

Industrial solid wastes are the source for toxic metals and hazardous wastes that affect soil characteristics and productivity of soils when they are dumped on various landfills. Toxic substances may percolate into the ground and contaminate the groundwater.

Burning of industrial or domestic wastes (cans, pesticides, plastics, toxin materials and batteries) produce furans, dioxins and polychlorinated biphenyls that are harmful to human being.

Steps Involved in Solid Waste Management:

Two important steps involved in solid waste management are:

Reduce, Reuse and Recycle (#3R) of Waste Materials

Reduce - If usage of raw materials is reduced, the generation of waste also gets reduced...

Reuse - Refillable containers that are discarded after use can be reused, Eg: Rubber rings can be made from discarded tubes and this reduces waste generation during manufacturing of rubber bands.

Recycle- Recycling is the reprocessing of discarded materials into new useful products, Eg: Old aluminum cans and glass bottles are melted and re-casted into new cans and bottles or Preparation of cellulose insulation from waste paper, currency notes...

The following methods are adopted for discarding the wastes:

1. Landfill
2. Incineration /Burning and
3. Composting

LANDFILL: Solid wastes are placed in a sanitary landfill in which alternate layers of 80 cm thick refuse is covered with selected earth-fill of 20 cm thickness. After 2-3 years solid waste volume shrinks by 25-30% and land is used for parks, roads and small buildings. This is the most common and cheapest method of waste disposal and is mostly employed in Indian cities.

Advantages of Landfill...

- > It is simple and economical
- > Segregation of wastes is not required
- > Land filled areas can be reclaimed and used for other purposes
 - > Converts low-lying, marshy waste-land into useful areas.
 - > Natural resources are returned to soil and recycled.

Disadvantages:

- > Large area is required
- > Land availability is away from the town, transportation costs are very high
- > Leads to bad odour if landfill is not properly managed.
- > Land filled areas will be sources of mosquitoes and flies and require application of insecticides and pesticides.
- > Causes fire hazard due to formation of methane in wet weather.

Incineration or Burning:

It is a hygienic way of disposing solid waste. It is suitable if waste contains more hazardous material and organic content. It is a thermal process and very effective for detoxification of all combustible pathogens. It is expensive when compared to composting or land filling.

In this method municipal solid wastes are burnt in a furnace called incinerator. Combustible substances such as rubbish, garbage, dead organisms and non-combustible matter such as glass, porcelain and metals are separated before feeding to incinerators. The non-combustible materials can be left out for recycling and reuse. The leftover ashes and clinkers may account for about 10 to 20% which need further disposal by sanitary landfill or some other means.

Incineration or Burning:

Advantages...

- > Residue is only 20-25% of the original and can be used as clinker after treatment
- > Requires very little space
- > Cost of transportation is not high if the incinerator is located within city limits
- > Safest from hygienic point of view
- > An incinerator plant of 3000 tons per day capacity can generate 3 Mega Watt of power.

Disadvantages...

- > Its capital and operating cost is high
- > Operation needs skilled personnel
- > Formation of smoke, dust and ashes needs further disposal and that may cause air pollution.

COMPOSTING

It is another popular method practiced in many cities in our country. In this method, bulk organic waste is converted into fertilizer by biological action.

Advantages...

- > Manure added to soil increases water retention and ion-exchange capacity of soil.
- > This method can be used to treat several industrial solid wastes.
- > Manure can be sold thereby reducing cost of disposing wastes
- > Recycling can be done

Disadvantages...

- > Non-consumables have to be disposed separately
- > The technology has not caught-up with the farmers and hence does not have an assured market.

Solid waste management is a manifold task involving many activities like:

1. Collection of solid wastes.
2. Disposal of solid wastes.
3. Waste utilization.

Collection of Solid Wastes:

Collection includes all the activities associated with the gathering of solid wastes and the hauling of the wastes collected to the location from where the collection vehicle will ultimately transport it to the site of disposal. There are three basic methods of collection.

(a) Community storage point:

The municipal refuse is taken to fixed storage bins and stored till the waste collection agency collects it daily for disposal in a vehicle.

b) Kerbside Collection:

In advance of the collection time, the garbage is brought in containers and placed on the footway from where it is collected by the waste collection agency.

(c) Block Collection:

Individuals bring the waste in containers and hand it over to the collection staff who empties it into the waiting vehicle and returns the container to the individuals.

Disposal of Solid Wastes:

Before the solid waste is ultimately disposed of it is processed in order to improve the efficiency of solid waste disposal system and to recover usable resources out of the solid wastes.

The processing techniques such as compaction i.e. mechanical volume reduction or incineration i.e. thermal volume reduction and manual component separation i.e. manual sorting of the waste are employed to increase the efficiency of solid waste management.

Due to heterogeneity of the city's garbage it is important to select the most appropriate solid waste disposal method keeping in view the following objectives:

- (a) It should be economically viable i.e. the operation and maintenance costs must be carefully assessed.
- (b) It should not create a health hazard.
- (c) It should not cause adverse environmental effects.
- (d) It should not be aesthetically unpleasant i.e. it should not result in offending sights, odours, and noises.
- (e) It should preferably provide opportunities for recycling of materials.

The commonly used methods of disposal are:

(1) Salvage or Manual Component Separation:

Before ultimate disposal, the manual separation of solid waste components is accomplished to achieve the recovery and reuse of materials. Cardboard, newsprint, high quality paper, glass, metals, wood and aluminum cans etc. are manually sorted out or salvaged either for recycling or for resale.

(2) Compaction or Mechanical Volume Reduction:

After separation of reusable or disposable articles, compacters are used to compress the waste materials directly into large containers or to form bales that can be then placed in large containers. Compaction increases the useful life of landfills.

(3) Incineration or Thermal Volume Reduction:

Highly combustible wastes like plastics, cardboard, paper, rubber and combustible wastes like cartons, wood scrap, floor sweepings, food wastes etc. are subjected to incineration i.e. burning at very high temperatures. Incineration results in air pollution and so proper control equipment needs to be installed to avoid contamination of environment.

(4) Open Dumping:

Open dumping of solid wastes is done in low lying areas and outskirts of the towns and cities. Being comparatively cheaper, this method of disposal is used extensively in India.

(5) Sanitary Land filling or Controlled Tipping:

Sanitary land filling involves the disposal of municipal wastes on or in the upper layers of the earth's mantle especially in degraded areas in need of restoration. In land filling, the solid wastes are compacted and spread in thin layers each layer being uniformly covered by a layer of soil.

(6) Land farming:

In this waste disposal method, the biodegradable industrial wastes are treated by the biological, physical and chemical processes occurring in the surface of the soil.

The organic wastes are either applied on top of the land or injected below the soil surface with suitable equipment, where they undergo bacterial and chemical decomposition. At frequent intervals, the land farming sites can be reused without any adverse effects provided the land farming site is properly managed.

(7) Composting or Biodegradation:

Bacterial decomposition of the organic components of the municipal solid wastes result in formation of humus or compost and the process is known as composting. In this process a compost pile is constructed by making alternate layers of organic matter and soil (source of micro-organisms).

Some fertilizer and water is periodically added to the compost pile to stimulate microbial (bacteria and fungi) action and to maintain the necessary moisture content (55%).

Periodically, the garbage is turned over to allow aeration i.e. penetration of oxygen to all parts of the organic refuse to facilitate aerobic bacterial decomposition.

Waste Utilization:

A developing country cannot afford wastage. By proper utilization of solid waste a developing country like India can avail of many advantages, for instance:

(a) Waste utilization directly or indirectly contributes to economic development.

(b) Waste utilization generates employment* opportunities.

- (c) Unused solid wastes create environmental hazards by spreading diseases and causing air and water pollution.
- (d) Waste utilization helps in conservation of natural resources.
- (e) Waste utilization helps to generate many useful products which are the basic necessities of life.
- (f) Cattle dung is used in “gobar gas plants” for making cooking gas.
- (g) Cattle dung is used as a manure.
- (h) Garbage is used for making compost.
- (i) Waste paper is recycled to form paper, cardboard, good quality paper and paper bags etc.
- (j) Scrap glass is used in production of new glass.
- (k) Aquatic weeds like water Hyacinth (Eichhornia) is utilized by conversion into fertilizers, bio-gas, animal feed, paper etc.

Examples of Waste Utilization:

- (l) Plastic is recycled to make new packs, soft waxes, greases and adhesives etc.
- (m) Used tyres casings are reused in the manufacture of synthetic rubber and
- (n) Fly ash is used as a cement substitute to make bricks etc. Efforts are required to be made to minimize the generation of these wastes and to treat them to recover useful materials i.e. waste utilization, and to make the residual innocuous safe and harmless.

MANAGEMENT OF E-WASTES

It is estimated that 75% of electronic items are stored due to uncertainty of how to manage it. These electronic junks lie unattended in houses, offices, warehouses etc. and normally mixed with household wastes, which are finally disposed off at landfills. This necessitates implementable management measures. In industries management of e-waste should begin at the point of generation. This can be done by waste minimization techniques and by sustainable product design.

Waste minimization in industries involves adopting:

- inventory management,
- production-process modification,
- volume reduction,
- Recovery and reuse.

Inventory management -Proper control over the materials used in the manufacturing process is an important way to reduce waste generation. By reducing both the quantity of hazardous Materials used in the process and the amount of excess raw materials in stock, the quantity of waste generated can be reduced. This can be done in two ways i.e. establishing material-purchase review and control procedures and inventory tracking system. Another inventory management procedure for waste reduction is to ensure that only the needed quantity of a material is ordered. This will require the establishment of a strict inventory

tracking system. Purchase procedures must be implemented which ensure that materials are ordered only on an as-needed basis and that only the amount needed for a specific period of time is ordered.

Production-process modification- Changes can be made in the production process, which will reduce waste generation. This reduction can be accomplished by changing the materials used to make the product or by the more efficient use of input materials in the production process or both. Potential waste minimization techniques can be broken down into three categories: i) Improved operating and maintenance procedures, ii) Material change and iii) Process-equipment modification.

Volume reduction -Volume reduction includes those techniques that remove the hazardous portion of a waste from a non-hazardous portion. These techniques are usually to reduce the volume, and thus the cost of disposing of a waste material.

Segregation of wastes is in many cases a simple and economical technique for waste reduction. Wastes containing different types of metals can be treated separately so that the metal value in the sludge can be recovered. Concentration of a waste stream may increase the likelihood that the material can be recycled or reused.

Sustainable product design

Minimization of hazardous wastes should be at product design stage itself keeping in mind the following factors:

- **Rethink the product design:** Efforts should be made to design a product with fewer amounts of hazardous materials. For example, the efforts to reduce material use are reflected in some new computer designs that are flatter, lighter and more integrated. Other companies propose centralized networks similar to the telephone system.
- **Use of renewable materials and energy:** Bio-based plastics are plastics made with plant-based chemicals or plant-produced polymers rather than from petrochemicals. Bio based toners, glues and inks are used more frequently. Solar computers also exist but they are currently very expensive.
- **Use of non-renewable materials that are safer:** Because many of the materials used are non-renewable, designers could ensure the product is built for re-use, repair and/or upgradeability

Natural Disaster

Natural disasters happen all over the world and they can be utterly devastating for people's lives and the environments in which they live.

Although natural disasters are caused by nature and there is nothing that we can do to prevent them happening, there are many different natural causes that lead to natural disasters, and being aware of these causes enables us to be better prepared when such disasters do arrive.

Flood: One common natural disaster is flooding, which occurs when a river bursts its banks and the water spills out onto the floodplain. This is far more likely to happen when there is a

great deal of heavy rain, so during very wet periods, flood warnings are often put in place. **Increased rainfall or rapid snow melting causes more flow of water in the streams. This excess water flow in a stream covering the adjacent land is called a flood.**

Causes of flood

Construction of buildings in a flood plain, Removing vegetation ,Paving roads and parking areas, Deforestation, Heavy rainfall ,Urbanization.

Effects of flood

- Erosion of top soil and vegetation
- Damage and loss to land, house and property
- Spread of endemic waterborne diseases
- Interruption of basic facilities of community such as highways, railways, telephone, electricity and day-to-day essentials
- Silting of reservoirs and dams

Flood control

- Construction of flood control dam •

Deepening, widening and straightening of streams

- Lining of streams
- Banning of construction of buildings in floodplains
- Converting flood-plains into wildlife habitat, parks, and recreation areas.

There are other risk factors for flooding too: steep-sided channels cause fast surface run-off, while a lack of vegetation or woodland to both break the flow of water and drink the water means that there is little to slow the floodwater down. Drainage basins of rainproof rock also cause the water to run faster over the surface.

Landslides

Landslides occur when mass of earth material move downward. It is also called mass wasting or mass movement. sudden landslide occurs when unconsolidated sediments of a hillside are saturated by rainfall or waterlogging. Many landslides take place in coincidence with earthquakes. The most common form of landslides is earthquake induced landslides or more specifically rock falls.

Control measures for landslides

- Avoid construction activity in landslide occurring areas.
- Reducing slope of hilly side
- Stabilizing the slope portion
- Increasing plantation of deep-rooted vegetation on the slope.

Earthquakes:

Earthquakes are another common natural disaster that can cause many fatalities. The movements of the tectonic plates in the earth's crust cause them. These plates do not always

move smoothly and can get stuck, causing a build-up of pressure. It is when this pressure is released that an earthquake occurs.

The magnitude of an earthquake is measured in Richter scale.

Effects of earthquake

Ground shaking, Liquefaction of ground, Ground displacement, Landslides, Flood

Control of earthquake

There is actually no technique to control the occurrence of earthquake. However, certain preventive measures can be taken to minimize the damage.

- Minimizing development activity (especially construction, mining, construction of dams and reservoirs) in areas known to be active seismic zones.
- Continuously monitoring seismic activity using 'seismographs' and alerting people regarding any recorded disturbance in advance.

Forest Fire:

One of the most common natural disasters, but also one of the most commonly forgotten, is wildfires. These take place in many different countries all over the world, particularly during the summer months, and can be caused by a range of different things. Some of the things that can start the wildfires can be totally natural, while others can be manmade, but the speed at which they spread is entirely down to nature.

The two natural causes of wildfires are the sun's heat and lightning strikes, while they can also be caused by campfires, smoking, fireworks and many other things. The reasons that they spread so quickly are prolonged hot, dry weather, where the vegetation dries out, which is why they often take place in woodland.

Cyclones:

Cyclone refers to a whirl in the atmosphere with very strong winds circulating around it in anti-clockwise direction in the Northern Hemisphere and clockwise in the Southern Hemisphere. Cyclones are intense low-pressure areas with pressure increasing outwards. Cyclones can be hazardous as Cyclones are normally associated with strong winds. A storm surge is an abnormal rise of sea level near the coast caused by a severe tropical cyclone; as a result, sea water inundates low lying areas of coastal regions drowning human beings and livestock, eroding beaches and embankments, destroying vegetation and reducing soil fertility. Apart from strong winds, cyclones can result in heavy rains causing floods. However, the most destructive factor associated with the cyclones is the storm surge.

The states most exposed to cyclone-related hazards, including strong winds, floods and storm surges, are West Bengal, Odisha, Andhra Pradesh and Tamil Nadu along the Bay of Bengal.

What is Global Warming

Global warming: Greenhouse gases in the atmosphere are transparent to light but absorb IR radiation. These gases allow sunlight to penetrate the atmosphere and are absorbed by the earth surface. This sunlight is radiated back as IR which is absorbed by gases. As a result, the earth surface and lower atmosphere becomes warm. This is called global warming.

Causes:

- Burning coal, oil and gas produces carbon dioxide and nitrous oxide.
- Cutting down forests (deforestation). Trees help to regulate the climate by absorbing CO₂ from the atmosphere. When they are cut down, that beneficial effect is lost and the carbon stored in the trees is released into the atmosphere, adding to the greenhouse effect.
- Increasing livestock farming. Cows and sheep produce large amounts of methane when they digest their food.
- Fertilisers containing nitrogen produce nitrous oxide emissions.
- Fluorinated gases are emitted from equipment and products that use these gases. Such emissions have a very strong warming effect, up to 23 000 times greater than CO₂.

Effects of global warming:

Sea level increases as result of melting and thermal expansion of ocean.

Many plants and animal species will have a problem of adapting. Many will be at the risk of extinction; more towering verities will thrive.

As the earth becomes warmer the floods and drought become more frequent. There would be increase in water-borne diseases.

Melting glaciers and ice sheets, as well as thermal expansion, are causing sea levels to rise. This puts coastal areas at risk of storm surge and erosion.

Ocean acidification

- The ocean absorbs carbon dioxide from the atmosphere, making the water more acidic. This affects marine life.

Extreme weather

- Climate change is increasing the frequency, intensity, and scale of heatwaves, wildfires, floods, tropical storms, and hurricanes.

Water scarcity

- Global warming is making water scarcer in more regions. This can lead to agricultural droughts, which affect crops, and ecological droughts, which increase the vulnerability of ecosystems.

Changes in plant and animal distribution

- Higher temperatures are causing a shift in the distribution of climate zones, which alters the abundance and distribution of plant and animal species.

Increased risk of disease

- Higher temperatures can lead to an increased incidence of certain human diseases.

Mental health

- Climate change can have a significant toll on mental health.

Measures to check global warming:

CO2 emission can be cut by reducing the use of fossil fuel.

2. Plant more trees.
3. Shifting from coal to natural gas.
4. Stabilize population growth.
5. Remove efficiently CO2 from smoke stocks.
6. Removal atmospheric CO2 by utilizing photo synthetic algae.

What is green house effect? What are those gases?

The **greenhouse effect** is a natural process that warms the Earth's surface. It occurs when the Sun's energy reaches the Earth, and certain gases in the Earth's atmosphere trap some of this heat, preventing it from escaping back into space. This process is essential for maintaining a habitable temperature on Earth.

How It Works:

1. **Solar Radiation:** The Sun emits energy, and some of it reaches the Earth's surface.
2. **Absorption and Reflection:** The Earth's surface absorbs solar energy, warming it, and then radiates heat in the form of infrared energy.
3. **Heat Trapping:** Greenhouse gases in the atmosphere absorb and re-emit this infrared energy, trapping heat and warming the planet.

These gases are responsible for trapping heat in the atmosphere. The major greenhouse gases are:

Carbon Dioxide (CO₂):

Sources: Burning fossil fuels, deforestation, and industrial processes.

Methane (CH₄):

Sources: Agriculture (livestock digestion), landfill decomposition, and natural gas leaks.

Nitrous Oxide (N₂O):

Sources: Agricultural activities, industrial processes, and combustion of organic matter.

Water Vapor (H₂O):

Sources: Naturally present in the atmosphere; increases as temperatures rise (feedback effect).

Ozone (O₃):

Sources: Naturally occurring and also formed by chemical reactions between pollutants.

Chlorofluorocarbons (CFCs) and Hydrofluorocarbons (HFCs):

Sources: Refrigerants, aerosol sprays, and industrial applications.

Mitigation Efforts:

1. Transitioning to renewable energy sources.
2. Reducing deforestation and promoting afforestation.
3. Enhancing energy efficiency in industries and households.
4. Encouraging sustainable agricultural practices.

What is carbon footprint?

‘Carbon footprint’ measures the total greenhouse gas emissions caused directly and indirectly by a person, organization, event or product. The footprint considers all six of the Kyoto Protocol greenhouse gases: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆).

Social Issues

Terrorism- A common definition of terrorism is the systematic use or threatened use of violence to intimidate a population or government for political, religious, or ideological goals. According to the Home Ministry, Terrorism poses a significant threat to the people of India.

Terrorism found in India includes ethno-nationalist terrorism, religious terrorism, left wing terrorism and narco-terrorism.

Terrorism

Terrorism is an anxiety-inspiring method of repeated violent action, employed by semi-clandestine / concealed individual, group or state actors, for idiosyncratic, criminal or political reasons, whereby the direct targets of violence are not the main targets. The immediate human victims of violence are generally chosen randomly or selectively (representative or symbolic targets) from a target population, and serve as message generators. Threat and violence-based communication processes between terrorist organization, victims, and main targets are used to manipulate the main target / audiences, turning it into a target of terror, a target of demands, or a target of attention, depending on whether intimidation, coercion, or propaganda is primarily sought.

India subdivides terrorism in four major groups:

Ethno-Nationalist Terrorism - This form of terror focuses either...

- (a) on creating a separate State within India or independent of India or in a neighboring country,

Or

(b) on emphasizing the views/response of one ethnic group against another. EX: Violent Tamil Nationalist groups from India to address the condition of Tamils in Sri Lanka, as well as insurgent tribal groups in North East India are examples of ethno-nationalist terrorist activities.

Religious Terrorism - This form of terror focuses on religious imperatives, a presumed duty or in solidarity for a specific religious group, against one or more religious groups. Mumbai 26/11 terror attack in 2008 from an Islamic group in Pakistan is an example of religious terrorism in India.

Left Wing Terrorism - This form of terror focuses on economic ideology, where all the existing socio-political structures are seen to be economically exploitative in character and a revolutionary change through violent means is essential. The ideology of Marx, Engel, Mao, Lenin and others are considered as the only valid economic path. Maoist violence in Jharkhand, Odisha, AP and part of Maharashtra and Chhattisgarh are examples of left wing terrorism in India.

Narco Terrorism - This form of terror focuses on creating illegal narcotics traffic zones. Drug violence in northwest India is an example of narco-terrorism in India, particularly in Punjab, Goa, Metros and North-Eastern States.

Causes of terrorism

Religion: perhaps the most commonly held belief today is the terrorism is caused by religion. Though it is not the main cause for terrorism, religion does play a significant role in driving some forms of it. Today religion as a part of terrorism has been mainly attributed to Islamic fundamentalism.

Political Grievances: A lack of political inclusiveness in states or grievances against a certain political order may cause individuals to join or create terrorists groups. Left and right wing terrorist often seek to apolitical system. As well, many in nations with authoritarian regimes lack avenues for dissent.

Ethno-nationalism: the desire of population to break away from a government or ruling power and create a state of their own can cause the formation of terrorist groups. In the 20th century , this was seen often times with regions or states attempting to gain independence from their colonial era masters. Within many countries around the globe minority groups exist wishing to garner some form of independence, if not their own state altogether.

Socio- economic status: terrorists may also be driven by a sense of relative depravation and lack of upward mobility within society. Globalization and the modern media have given the have nots an acute awareness of their situation compared to the haves globalization creates an acute awareness about opportunities available elsewhere.

Effect of terrorism:

Law and order problem: terrorism poses a serious law and order problem and leads to disintegration of society. The incident of murder, torture, mutilation, kidnapping, arson and

extortion create atmosphere of suspicion, fear and panic all around. Life becomes uncertain. The terrorists kill unarmed civilians including women and children.

Social disharmony: organized crime and violence cause social disharmony. The inter-relationship among various insurgent groups and their foreign linkages bring illegal money and encourages smuggling. Many insurgent groups collect certain percentage of money from the employees and businessmen on regular basis.

Political instability: the assassinations of 2 ex-PM of India, Mrs. Indira Gandhi, Mr. Rajeev Gandhi has jointed Indian politician economy at large. India had lost 2 of its strongest pillars which otherwise would have taken Indian politics, business and industry at unimaginable heights. Recently speaking the siege of south Mumbai has taken toll as home minister Shivraj Patil.

Global implication: India, post Kargil war, then attack on parliament, now 26/11, has lost millions of business as the trade link between the two countries are frozen during such period. Agri exported in bordering states have taken heavy burns. This has resulted in unemployment in these regions, which in turn against triggers riots.

Long-term financial loss: the direct economic damage done by terrorist attacks-building and infrastructure destroyed, productive lives ended. The structural damages post 26/11 attacks was amounting to total of 500 crs, which subsequently took its toll on the insurance industry. Another form of longer-term costs security involves the opportunity cost of spending additional money to fight terrorism.

Loss of Human Capital: the human costs have been horrendous. Estimates are in past 5 years 4000+ were killed in terrorist attacks. This puts India next to Iraq both in terror death and terror attacks.

Investor behaviour: frequent attacks on commercial and government institution shatter the confidence of the investors causing heavy investment drainage. One example of the same is the terrorist attack in Indian parliament in 2001, which internationally provoked insecurity and discourages the investors.

Control Measures for terrorism:

Poverty alleviation: poverty seems to be the major cause of terrorism. Lack of resources to make ends meet have triggered in growing its menace. Strong and effective efforts are required to reduce poverty. It is poverty which forces people to join terrorism.

Reduce unemployment: unemployment is also one of the main causes that help increase terrorism. When people are unemployed, they do not find opportunities to get job to support their families and eventually they are made pawns in the hands of terrorist.

End justice: there is a lot of injustice almost everywhere especially in the third world countries like in the tribal belt between Afghanistan and Pakistan, the situation is very disturbing in terms of obtaining justice. People cannot get speedy justice. Injustice in the system has supported increasing terrorism and therefore people take laws in their hands.

Corruption: corruption in the political system increasing day to day. Political leaders especially in the third world countries seem to have no concern with the economic problems and terrorism and they are busy in making money through unfair means.

Lack of education: lack of education generally forces young generation to join hands of anti-social elements. There is a dire need to create opportunities for people so that they could educate their children.

Business Environment

WHAT IS BUSINESS

In common sense, the term business refers to buying and selling of goods.

But in modern times, business covers a wide and complex field of industry and commerce involving complex activities related to both production and distribution. All these activities satisfy the diverse needs of the society and also help generate profit of business firms or units.

Business, in nutshell, includes diverse activities related to production, marketing, transport, trade, finance, banking, insurance, advertising and some other activities connected with industry and commerce.

Definition: **A business is an organization or entity that sells goods or services for a profit.** The important part of this definition is that a business is something that operates in order to make a profit. Not all businesses actually are successful enough make a profit, but their main purpose is to generate profits.

Business is an economic activity which is related with continuous production of good and services for satisfying human wants.

- Exchange of goods/services
- Deals in numerous transactions.
- Profit is main objective.
- Risk and uncertainties.
- Marketing and distribution of goods/services.
- Social obligation

OBJECTIVES OF BUSINESS

1. Profit Making- Profit is backbone of any business enterprise. It is excess of income over expenses. Profit is the main motivator, strong sustainers & judicious allocator of resources, objective indicator of efficient productivity & a solid basis for growth expansion & survival. It enables a businessman to realize his other objectives. ex:- Hospitals schools, Charitable institution & government agencies are not concerned with profits oriented

2. Growth- It is another primary objective of business. It should grow in all directions over a period of time. An enterprise which remains stagnant for long is presumed to suffer from an organic defect. There are various strategies adopted to achieve growth i. Add more products or markets ii. Integration forward or backward. iii. Increase market share iv. Diversify business into new areas. v. Expand markets. Etc...

3. Power- Business has vast resources such as money, materials, men & know-how. These resources confer enormous economic & political power on owners & managers of business ventures.

4. Employee satisfaction & development -The Chinese proverb says, “if you want to plan for a year, plant corn. If you want to plan for thirty plant a tree. But if you want to plan for 100 years plant a man”. Caring for employee satisfaction & their development has been one of the objectives of enlightened business enterprises.

5. Quality of Products & Services -This is one of the major objectives of business. Those who insisted on & persisted in quality survived competition & stayed ahead of others on the market. Persistent quality earns brand loyalty, a vital ingredient of success.

6. Market leadership- To earn market leadership is yet another objective of business. To earn a niche for oneself in the market innovation is the key factor. Innovation may be in product, advertising, distribution, finance or in any other field.

7. Challenging -Business offers vast scope & poses formidable challenges. Success in a business venture speaks of the abilities of individuals who own & manage & failure, their inability & incompetence. The real worth of an individual is tested more in business than in any other profession.

8. Service to Society -Business is a part of society & has several obligations towards it. The following are: i. Providing safe & quality goods at reasonable prices. ii. Providing employment. iii. Patronizing cultural & religious activities. iv. Maintaining & protecting environment.

9. Good Corporate Citizenship -Citizenship implies that the business unit complies with the rules of the land, pay taxes to the government regularly discharge its obligation to society & cares for its employees & customers.

Business does not function in isolation or in vacuum. It is affected by internal and external factors. These internal and external factors collectively constitute business environment. Internal environmental factors are within the control of business, whereas external factors are beyond the control of business.

‘Environment’ refers to the system in which human beings live and they have to adjust themselves according to it. So, it is surroundings, external agents, influences or circumstances under which something exists.

***Business Environment can be defined as the aggregate of all those forces, factors and institutions which directly affect the working of a business organization.**

“Business Environment is the aggregate of all conditions, events and influences that surround and affect the business.” Keith Davis

“Business Environment encompasses the climate or set of conditions-economic, social, political or institutional in which business operations are conducted.” Prof. Weimer

“The term Business Environment of a company is defined as the pattern of all external influences that affect its life and development.”

Andrews “The total of all things external to firms and industries that affect the function of the organisation is called business environment.”

Nature of Business Environment

Business Environment is very complicated, dynamic and multi-dimensional and affects different business institutions in different ways. It exhibits many characteristics like:

1. **Complex** -Environment comprises of many factors. All these factors are related to each other. Therefore, their individual effect on the business cannot be recognised. This is perhaps the reason which makes it difficult for the business to face them.
2. **Dynamic** -As is clear that environment is a mixture of many factors and changes in some or the other factors continue to take place. Therefore, it is said that business environment is dynamic. The business environment is constantly evolving due to technological advancements, changing consumer preferences, and shifts in market conditions. To stay competitive, businesses must continuously adapt to these changes.
3. **Uncertain** -Nothing can be said with any amount of certainty about the factors of the business environment because they continue to change quickly. The unpredictable nature of changes in the business environment makes it difficult for organizations to forecast future trends. This uncertainty requires businesses to be flexible and prepared to respond quickly to unexpected market shifts..
4. **Multi-dimensional** -Business environment is related to the local conditions and this is the reason as to why the business environment happens to be different in different countries and different even in the same country at different places.
5. **Interconnectedness**-The various components of the business environment are closely linked. Changes in one area, such as consumer behavior or regulatory policies, often have a ripple effect across other aspects of the business.
6. **Relativity**-Business environments vary across different regions and cultures. What works well in one market may not be effective in another, requiring companies to tailor their strategies to local conditions and preferences.

Scope of business

1. Improvement in standard of living - Business helps people in general to improve their standard of living.
2. Proper utilization of resources - It leads to effective utilization of the scarce resources of society. It provided facility of mass production.
3. Better Quality & large variety of goods & service -It involves production, purchase & sale of goods & service for price. Customer satisfaction is the backbone of modern business. Services such as supply of water, electricity etc, may be considered highly significant for the community.
4. Creates utilities - business makes goods more useful to satisfy human wants. It adds to products the utilities of person, time, place, form, knowledge etc. Thus, people are able to satisfy their wants effectively & economically.

5. Employment Opportunities - It provides employment opportunities to large number of people in society.

6. Workers welfare - business organization these days take care of various welfare activities for workers. They provide safer & healthier work Environment for employees.

IMPORTANCE/SIGNIFICANCE OF BUSINESS ENVIRONMENT:

Business and its environment are closely inter-related and mutually interdependent.. The success of business lies in understanding the environmental changes and adapting its business policies accordingly. Significance of the study of environment in business sector may be explained as follows:

1. Early identification of opportunities helps a business organization to be the first to exploit them.
2. A business organization should make its policies keeping in view the demands of environment.
3. The study of business environment is important to ensure optimum utilization of resources like, financial resources, human resource and physical resource etc.
4. Environment analysis helps the business organizations to identify strengths and weaknesses.
5. Environment analysis helps the business organizations to identify threats and explore opportunities available to business.
6. Environment analysis helps in adapting latest technological development which results in improved efficiency.
7. Scanning the business environment helps to understand Political Situation and its effect on business.
8. Scanning the business environment helps to understand economic policies of Government and their impact on business.
9. Because of globalization, the impact of international events on business is increasing. To understand global events and their impact on business, study of international environment is must.
10. By environmental analysis, business organizations come to know about the strategies of competitors to formulate counter plans.
11. Environment analysis helps in understanding the market conditions i.e. change in demand/supply, change in fashion, taste, boom or depression etc.

Environmental analysis- Environmental analysis refers to the process of identifying the external and internal elements, which can affect the performance of an organization. The analyzed facts will then be used for formulating strategies and taking decisions, so as to exploit opportunities and enhance strengths, and to minimize threats and weaknesses.

Stages of environmental analysis

1. Scanning the environment- Environmental scanning is primarily done for identifying the factors which may have implications on the business. This is the prime step to be done in environmental analysis. A good scanning of environment can reveal so many hidden factors in the environment.

2. Monitoring particular factors - In the process of scanning, some particular factors which need due attention might have been identified. At this stage of analysis, such factors or trends evolving should be undergone for keen understanding. The outputs of monitoring are therefore, a precise picture of the environmental issues, identification of tendencies for additional scrutiny and recognition of patterns demanding further scanning.

3. Forecasting- It refers to anticipating the future threats and opportunities for formulating strategic plans. It can be defined as Estimating the intensity, nature, and timing of the external forces that may affect the performance of a firm, disrupt its plans, or force a change in its strategies.

4. Assessment- Assessment refers to realizing implications or probable impacts of those factors which may cause threats and provides opportunities.

Techniques & tools for Environment Analysis

There are various methods that you can use to conduct the analysis. The most common are:

A political, economic, social, technological, legal, and environmental (PESTLE) analysis

The acronym PESTLE represents all the external factors that a business can usefully evaluate. The biggest benefit of using this method is that it provides a comprehensive view of the external environment.

A strengths, weaknesses, opportunities, and threats (SWOT) analysis

The acronym SWOT represents the factors that help to evaluate the internal environment of a business. The benefit of using this is that it's easy to understand and quick to complete. The drawback is that it may not provide a comprehensive view of the environment.

Porter's five forces analysis

Porter's five forces analysis evaluates the competitive environment within an industry. It considers the threats of new entrants, buyers' bargaining power, suppliers' bargaining power, the threat of substitutes, and the intensity of rivalry. The method provides a detailed view of the competitive environment.

Environment threat and opportunity profile (ETOP) analysis

The acronym ETOP represents a tool that helps businesses identify opportunities and threats from the external environment that may impact them. The biggest advantage of using this tool is that it provides an accurate view of the company's competitive position. The limitations are that it does not show how these factors interact and does not represent a dynamic environment. To mitigate this, businesses may decide to update their ETOP analysis as frequently as possible.

Detailed Explanation of All:

SWOT Analysis -It is an important form of business environment analysis, which is accepted all over the world. **A SWOT analysis (alternatively SWOT matrix) is a configured planning method used to assess the strengths, weaknesses, opportunities and threats involved in a project or in a business venture.** Proper Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis may reveal that the company is not efficient in particular fields of business. It can give up such business activities and concentrate more on competent areas.

A firm's strengths are its resources and abilities that can be used as a foundation for expanding competitive advantage. It includes factors like better brands, reputation and goodwill, cost reduction etc.

Similarly, weaknesses include those zones where the firm is not strong. For instance, high cost structure and inefficient production processes may keep a firm weak.

Opportunities are the factors which open doors to profitability and expansion for a firm, and are present in the external environment of a business. Novel technologies developed, a particular need of consumers etc can be seen as opportunities for improvement.

The vibrant external environment can challenge the prosperity of an enterprise by throwing threats against it. Such threats include, a new policy of regulation by government, steeply increasing cost of raw materials etc.

In SWOT analysis, one has to identify all the four factors. **Strengths should be enhanced and weaknesses should be eliminated for effectively reaping benefits of opportunities and avoiding challenges of threats.**

Merits of SWOT analysis

- It is a source of information for strategic planning.
- Builds organization's strengths.
- Helps to deplete firm's weaknesses.
- Maximize organization's response to opportunities.
- Overcome organization's threats.
- . It helps in identifying core competencies of the firm.
- It helps in setting of objectives for strategic planning.
- It gives a clear picture of the past, present and future aspects of the organization.



Strengths are a company's core competencies, and include proprietary technology, skills, resources, market position, patents, and others.

Weaknesses are the conditions within the company that can lead to poor performance and examples could be obsolete equipment, heavy debt burden, poor product or market image, weak management, and others.

Opportunities are external conditions or circumstances of the company which it could turn to its advantage.

The following opportunities must be considered in SWOT analysis: • Advertising a product on the Internet • Mergers, joint ventures or strategic alliances • Business proposal from a new client with good a reputation in the market • Moving into new market segments with improved profits • Getting a chance to enter the international market

Threats are the current or future conditions in the environment that may harm the company. The following threats must be considered in SWOT analysis: • A new competitor in the same location • Price wars with competitors • Innovative products and services of competitors • Competitors with superior access to channels of distribution

PESTLE is an acronym and it is used as an analytical tool. It stands for the Political, Economic, Social, Technological, Legal and Environmental factors which influence the business environment of an organization.

PESTLE analysis helps in analysing the organizational strategies in the following ways:

- It helps in identifying the environmental factors that affect the strategies of the organization.
- PESTLE analysis may be used to identify the long-term factors that lead to globalization. For example, given the increasing globalization of some markets, it is important to identify the forces that lead to globalization.

- **Political**
- **Economic**
- **Social**
- **Technological**

- **Environmental**
- **Competitive.**

Political factors affecting business

Political [influence](#) on business refers to new legislation that affects consumers', employees, and businesses' rights.

Some examples of business-related legislation include:

- Anti-discrimination
- Intellectual property
- Minimum wage
- Health and safety
- Competiton
- Consumer protection.

Generally, these are grouped into three categories:

- Consumer laws - These are laws that ensure businesses will provide consumers with quality goods and services.
- Employment laws - These are laws that protect employee rights and regulate the relationship between employees and consumers.
- Intellectual property law - These are laws that protect creative work within the business world, e.g. copyrights of music, books, films, and software.

Economic factors affecting business

Businesses and the economy have a mutual relationship. The success of businesses results in a healthier economy, whereas a strong economy allows businesses to grow faster. Thus, any changes in the economy will have a significant impact on business development.

Economic activities can deeply be affected by changes in:

- Tax rates
- Unemployment
- Interest rates
- Inflation.

Changes in tax, interest rates, and inflation can result in a rise or fall in aggregate demand, which affects economic activity. For example, with lower taxes, individuals and households have more income at their disposal to spend on goods and services. This contributes to higher demand, resulting in more production and jobs created. As a result, business activities grow and the economy flourishes.

Social factors affecting business

Social factors affecting business refer to changes in consumer tastes, behaviour, or attitude that might affect business sales and revenues. For example, nowadays, consumers are paying more attention to environmental issues such as climate change and pollution. This puts pressure on firms to adopt eco-friendly solutions to their production and waste disposal. Social influence also includes the ethical side of a business, such as how a company treats its employees, consumers, and suppliers. An ethical business is one that considers the needs of all shareholders, not just owners.

Technological factors affecting business

Technology is used extensively in modern business, from production to product selling and [customer support](#). Technology allows a company to save time and labour costs while achieving more efficiency, which, in the long run, can result in a competitive advantage. **Three key areas of technology in business are automation, e-commerce, and digital media.**

Environmental factors affecting business

Environmental influence refers to changes in the natural world, such as weather conditions, that might affect [business operations](#).

The production of goods and services is the major cause of climate change, pollution, and waste. For example, the generation of electricity in coal-fired plants releases a tremendous amount of carbon dioxide into the atmosphere, which causes global warming and acid rain. The fashion industry is another CO₂ emitter, contributing to around 8-10% of the total greenhouse gas emission each year.

Many companies nowadays have been adopting eco-friendly solutions to mitigate their impacts on the environment. **Some examples include:**

- **Recycling packaging**
- **Offsetting carbon footprint**
- **Introducing energy-saving plans**
- **Adopting more energy-efficient equipment**
- **Switching to fair-trade suppliers.**

Competitive factors affecting business

Competitive influence refers to the impact of competition in the business environment. The impact can come from changes in price, product, or business strategy. For example, if a company selling similar products at a similar price to your business suddenly drops its price to attract more customers, you may have to reduce the price as well or risk losing customers.

To avoid the impact of competitive influence, a company can develop competitive advantages. These are attributes that allow the company to outperform its rivals. A business can gain a competitive advantage by investing in a high-quality labour force, exceptional customer support, stellar products, extra services, or a reputable brand image.

- The competitive advantage of Starbucks is that it is a global company with strong brand recognition, premium product quality, and a cosy environment that makes customers feel at home.

ETOP analysis (environmental threat and opportunity profile) is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions

WHY ETOP?

- ✓ Helps organization to identify O-T
- ✓ To consolidate and strengthen organization's position
- ✓ Provides the strategists of which sectors have a favorable impact on the organization. ✓ Helps organization knows where its stands with respect to its environment.
- ✓ Helps in formulating appropriate strategy.
- ✓ Helps in formulating SWOT analysis.

The profile involves,- Environment, Threats & Opportunities Profile

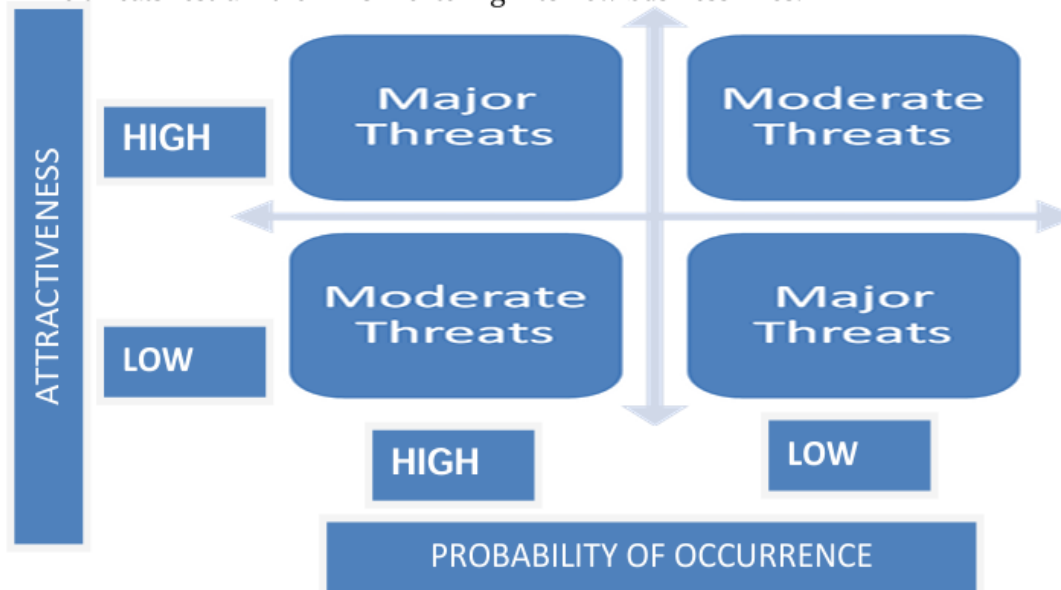
A] ENVIRONMENTAL FACTORS

It presents the impact of each environmental factor like economic, political & social on the organization. The important factors are as follows,-

<u>1] Economic factors:</u> <ul style="list-style-type: none"> ✓ General economic condition. ✓ Rate of inflation. ✓ Interest rate/Exchange rate 	<u>2] Technological factors:</u> <ul style="list-style-type: none"> ✓ Source of technology. ✓ Technological development. ✓ Impact of technology
<u>3] Socio cultural factors:</u> <ul style="list-style-type: none"> ✓ Demographic characteristics. ✓ Social attitudes. ✓ Education level, awareness, and consciousness of rights. 	<u>4] Environmental factors:</u> <ul style="list-style-type: none"> ✓ Weather change ✓ Climatic change. ✓ Demand related factors. ✓ Suppliers related factors.
<u>5] Political factors:</u> <ul style="list-style-type: none"> ✓ Political system. ✓ Political structure, its goals and stability. ✓ Government policies , degree of intervention 	<u>6] Legal factors:</u> <ul style="list-style-type: none"> ✓ Policies related to licensing , monopolies. ✓ Policies related to export and import. ✓ Policies related to distribution and pricing.

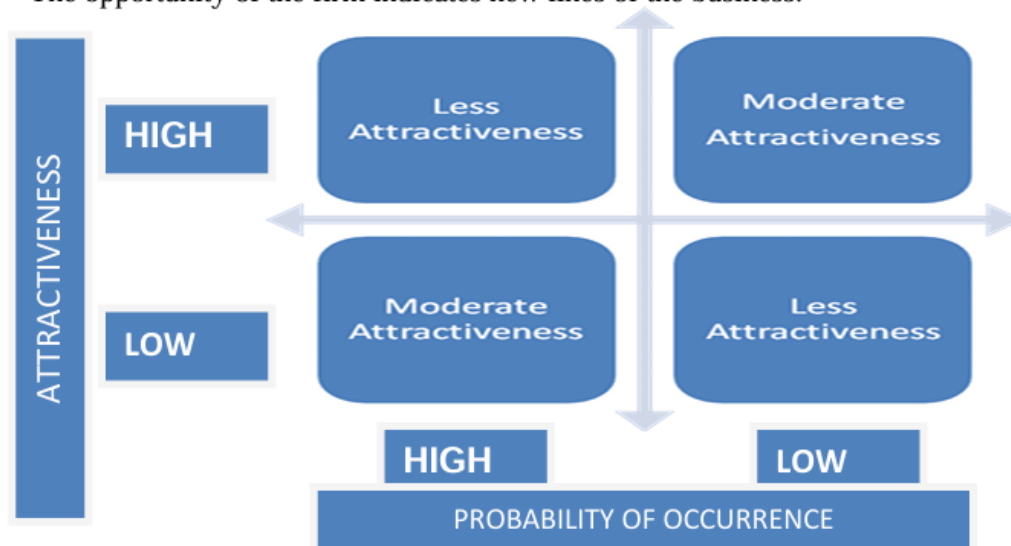
B) THREAT MATRIX

The threats restrain them from entering into new business lines.



C) OPPURTUNITY MATRIX

The opportunity of the firm indicates new lines of the business.



Example:

For GE Oil & Gas the oppurtunities are:

- According to figures released by America's Cambridge Energy Research Associates, India is home to around 64 trillion cubic feet of unexplored gas at various locations. This gas can be extracted, and supplied into houses and production units to trigger country's growth.
- Demand for oil and gas in India will keep on increasing due to country's rising energy needs.

- Oil and gas majors like Cairn, ONGC and Reliance have lined up plans for huge investments in-order to increase oil and gas production in the country, which has fuelled the growth.
- GE oil & gas can grow from within by focusing on niche products and markets where its larger rivals aren't a factor.
- GE specializes in growth areas such as drilling equipment and compressors.
- GE is cash rich company. It aspires to continue to develop technology overlaps between the businesses it has.
- Narendra Modi government is planning to set up several power plants. It is considering setting up gas based power generation projects in states like- Madhya Pradesh, Odisha and Uttar Pradesh. While it plans to set up thermal power plants in states like Andhra Pradesh, Chhattisgarh, West Bengal, Jharkhand and Bihar which produce coal, this is indeed good news.

For GE Oil & Gas the threats are:

- The environmental pressure and market demand that oil companies experience today force them to explore new industries, i.e. renewables.
- State owned oil and gas companies like ONGC and Oil India limited are market leaders in the country. However, they are facing tough competition in oil exploration and production from private players like Reliance, Essar, Adani, etc.
- GE Oil & Gas needs to get bigger and develop a clearer strategy if it hopes to keep up with its larger competitors.
- The Oil & Gas sector need to emphasize on R&D. India is weak in it.

This is how ETOP analysis provides clarity of which sector and sub sectors have favorable impact on the organization. It helps interpret the result of environment analysis due to which an organization can assess its competitive position.

Environmental forecasting: Meaning of environmental forecasting Forecasting is a way of estimating the future events that have a major impact on the enterprise. Environmental forecasting is a technique whereby managers attempt to predict the future characteristics of the organizational environment and hence make decisions today that will help the firm deal with the environment of tomorrow.

Steps in environmental forecasting:

1. Identification of relevant environmental variables Before managers can begin to formulate an effective strategy, they must make a critical examination of the firm's environment. Assessing the strategic situation is the first phase in determining the content of the proper strategies for a firm. This process begins with an assessment of the general environment of the firm, in terms of economic, technological, social, and political/legal influences. E.g., diesel price is a critical factor for railways using that energy source but not for electric trains. Omission of critical variables or inclusion of non-relevant variables could have misleading effects.

2. Collection of information Once the environmental variables are identified, the next step is to collect the information that is needed. It involves the identification of sources of information, determination of the types of information to be collected, selection of methods of data collection and collection of information.

3. Selection of forecasting technique The choice of the forecasting technique depends on the nature of the forecast decision, the amount and accuracy of the available information, accuracy required, time available, importance of the forecast, the cost, etc.,

4. Monitoring Monitoring is very important as the characteristics of the variables or their trends may undergo changes. Further new variables may emerge as critical or the relevance of certain variables may decline. It is therefore necessary to monitor changes.

TYPES OF FORECASTING:

1. Economic Forecast

2. Social Forecast

3. Political Forecast

4. Technological Forecast

1. Economic Forecast: As a economic environment is a very critical determinant of business prospects, economic forecasts is very important. The Economic factors often considered include general economic conditions, GDP growth rate, per capita income, structural changes in GDP, Investment and output trends in different sectors and subsectors/industries, price trends, trade and BOP (record of all international financial transactions made by a country's residents) trends etc.

2. Social Forecast: Social trends have significant implications for business strategy. It is, therefore, very essential to forecast the possible changes in the relevant social variables. Important factors include: 1. Population growth/decline 2. Ethnic composition 3. Life Styles 4. Social attitudes 5. Income levels

3. Political forecast: Political forecast has an important part in envisioning properly the future scenario of business. Relevant factors include:

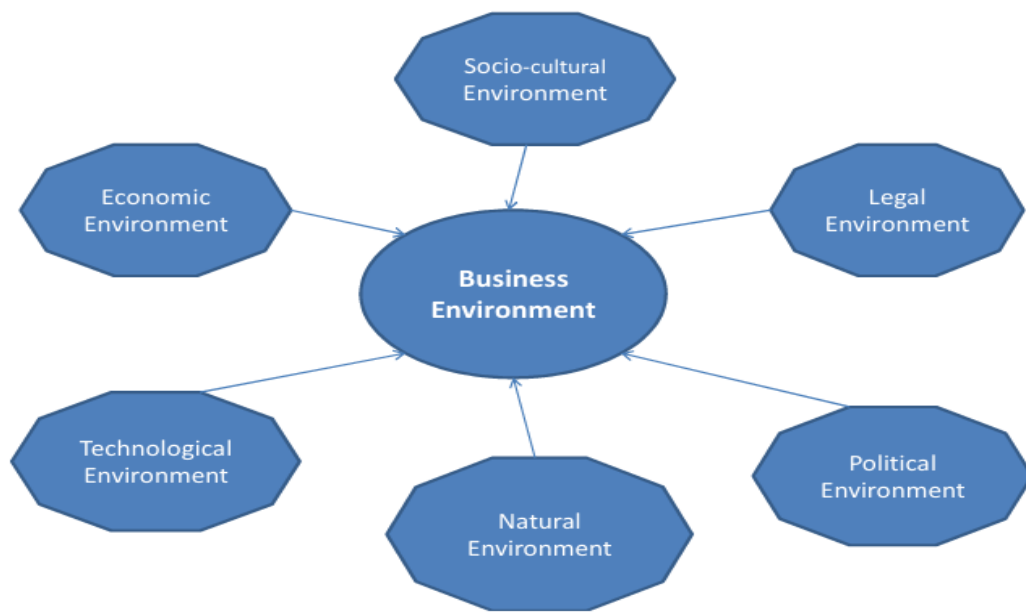
1. Changes in the relative power of Political party.

2. Political alliances and political ideologies etc.

3. Political forecasts also cover industrial policy, commercial policy, and Fiscal policy, International political developments are also important.

4. Technological forecast: Innovation and other technological developments can drastically alter the business environment. Technological forecasts, therefore, assumes great significance. It encompasses not only technological innovations but also the pace and extent of diffusion and penetration of technologies and their implications.

Dimensions of Business Environment



Dimensions of Business Environment:

Socio-cultural environment: The socio-cultural environment is the identical or similar social positions and social roles as a whole that influence the individuals of a group.



Social environment consists of the customs and traditions of the society in which business is existing. It includes the standard of living, taste, preferences and education level of the people living in the society where business exists.

Technological environment: Technological environment hold new technological innovation, new products, the state of technology, the utilization of technology for maximum inputs and outputs, the obsolescence of technology and the dynamic changes that frequently occur in technologies which enable firms to get a competitive advantage

Economic Environment: The economic environment consists of the Demand dynamics, Supply situation, Pricing factors, Degree of competitiveness, Impact of profitability. It includes the fiscal policy, monetary policy and the taxation policy, the FDI norms, the investment criterion and financing decisions.

Political and Legal Environment: The political environment includes Regulatory burden and red tape, Taxes levels of political corruption, Public works services, Labour market regulation, Policy predictability, Property rights, Contract enforcement, Regulations controlling start up and Bankruptcy, competition law.

Natural Environment: Natural environment includes the naturally existing factors in the environment of business.

COMPONENTS/TYPES/CONSTITUENTS/FACTORS OF BUSINESS ENVIRONMENT

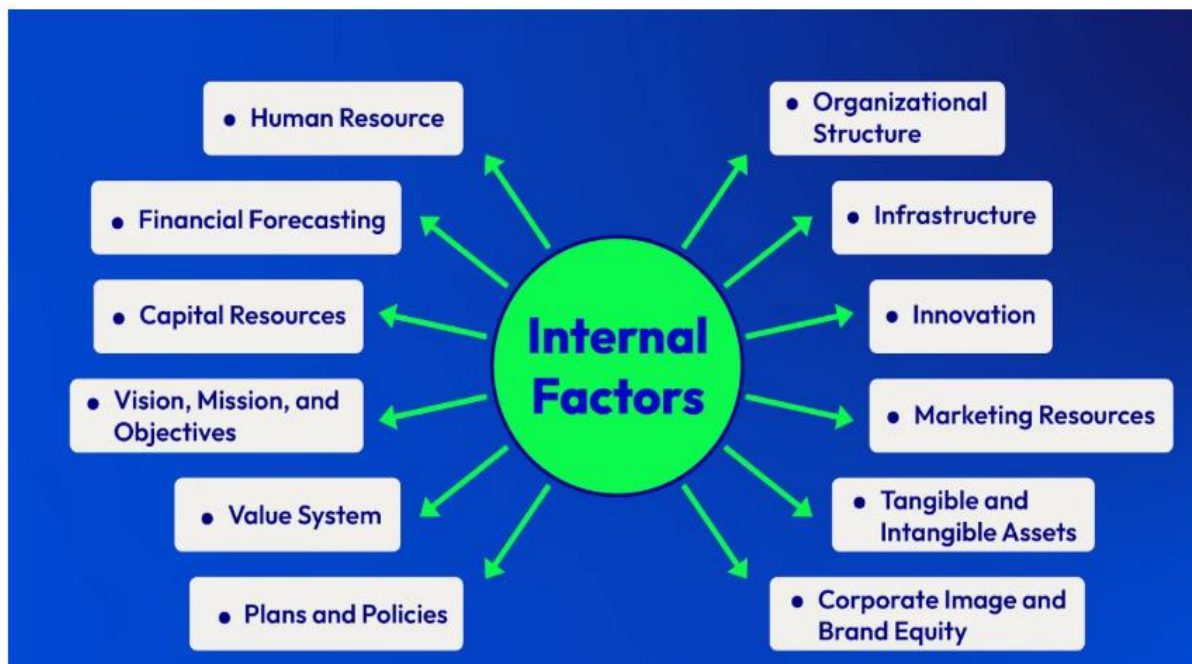
Every business faces two types of environments simultaneously i.e. Internal Environment and External Environment.

1. **INTERNAL ENVIRONMENT** - All those factors within an organization which impart strengths or cause weaknesses constitute the internal environment. These factors can be controlled by business but they are quite important in shaping the behaviour of people working in it. Hence, managers have to take internal factors into account while taking actions.

2. **EXTERNAL ENVIRONMENT**- All those factors outside the organization which provide opportunities or pose a threat to the organization make up the external environment. These factors are those over which the business organization has no control.

Internal Environment

Internal Environment Factors



1. **Plans & Policies** -The plans and policies of the firm should be properly framed taking into consideration the objectives and resources of the firm. Proper plans and policies help the firm to accomplish its objectives.
2. **A value system** is a set of consistent and logical principles adopted by a firm to guide its behavior and decision-making in various circumstances. It serves as a standard for regulating conduct within the organization. **Ex. Infosys views its employees as its resources “Wealth creation for employees as one of its stated objectives. It provides innovative compensation and benefit packages.**
3. Vision outlines the long-term goals and aspirations of the enterprise, showing what it aims to achieve. Mission describes the organization’s purpose, its business activities, and the reason for its existence. Objectives are specific milestones set to be accomplished within a certain timeframe using available resources. **Ex : Ranbaxy thrust in to the foreign markets and development have been driven by its mission “to become a research based international pharmaceutical company.**
4. **Human Resource** - The characteristics of human resource like skill, quality, morale, commitment can contribute to the success of the organization. In today’s global economy, where economic value increasingly comes from ideas and digital skills rather than physical resources, human resources are crucial for businesses. The success of a company depends on its employees’ skills, competencies, attitudes towards work, and performance. Skilled and motivated workers are key assets to any enterprise. However, employees who lack training and show negative attitudes present challenges. Effective human resource management is essential for both company success and employee development
5. **Marketing resources** encompass the tools, budgets, and personnel dedicated to promoting a business’s products or services. This includes everything from advertising

campaigns and market research to social media management and brand development. Effective marketing resources help a company increase its market share, build brand recognition, and attract and retain customers. Without strong marketing resources, a business may struggle to compete and communicate its value proposition effectively.

6. **Financial Resources** -Capital is the lifeblood of every business. Finance relates to money. A firm needs adequate funds to meet its working capital and fixed capital requirements. Financial capital is crucial for a business's growth and sustainability. Without capital, companies can't survive. With enough funds, they can launch projects, expand, and achieve great results. For example, in 2010, Coca-Cola spent 2.9 billion USD on marketing, more than Microsoft and Apple's combined marketing budgets, showing the importance of significant investment and stable finances for success
7. **Corporate Image**- A firm should develop, maintain and enhance a good corporate image in the minds of employees, investors, customers etc. Poor corporate image is a weakness of the firm. Corporate image and brand equity are crucial internal factors that influence a company's success. Corporate Image is the comprehensive perception of a company or organization within the community, formed from the ideas, perceptions, and evaluations of the public, customers, shareholders, and employees about that company. [Brand equity](#) represents the value of the brand based on consumer recognition and loyalty. Both play significant roles in shaping the company's reputation and competitive advantage.
8. **Tangible assets are physical items owned by the company, such as land, buildings, machinery, and inventory. Intangible** assets include non-physical resources like research and development, technological capabilities, marketing strategies, and financial resources.
9. **Plant and Machinery** -Plant and machinery is the internal part of the business firm. If the machines are obsolete or outdated, they should be replaced by a new one, or that adversely affects the business firm.
10. **Labor and Management Relationship** -There should be smooth labor and management relationship. The management should understand the problems of their workers and gain confidence in them
11. **Organizational Structure**-To have a suitable organizational structure requires the owners have to consider carefully set up a business management system to work smoothly within the company. Whether it is a centralized or decentralized system, the most important thing is how effective the structure is when applied for the company.
12. **Innovation**-In today's competitive marketplace, no company can thrive without adopting new ideas and technology. Innovation, whether from within the organization or external sources, boosts productivity, reduces costs, enhances competitiveness, improves brand value, and increases turnover. Companies that fail to innovate risk losing market share, profits, and key employees.

Examples of Internal Business Environment

Google's open management

Google's open management style fosters innovation by encouraging employee collaboration and creative freedom.

Zappos' strong company culture

Zappos' strong company culture emphasizes customer service and employee satisfaction, boosting engagement and loyalty.

Tesla's resource availability

Tesla's resource availability in advanced technology and skilled engineers allows rapid development of cutting-edge electric vehicles.

Apple's leadership approach

Apple's leadership approach prioritizes design and innovation, shaping its product strategy and market leadership.

Netflix's flexible work environment

Netflix's flexible work environment drives creativity, allowing employees to adapt quickly to industry changes and consumer trends.

TYPES OF EXTERNAL ENVIRONMENT

Micro environment consists of factors in the company's immediate environment that affect the performance of the company. These include the suppliers, marketing intermediaries, competitors, customers and the public.

"The micro environment of a company consists of elements that directly affect the company such as competitors, customers and suppliers."

1. Suppliers -Suppliers are important for any business unit. Suppliers are those who supply the inputs like raw material and components to the company. Organizations should keep two things in mind regarding suppliers: Reliability and Multiple suppliers.
2. Customers or clients -A business exist only because of its customers. Hence, a major task of a business is to create and sustain customers. Monitoring the customer's sensitivity is a pre-requisite for business success. A company may have different types of customers-Individual and household customers, Government bodies, Foreign customers, Retail customers, Wholesale customers
3. Tastes and preferences of customers Quantity to be purchased by customers Education level of customers Competitors Competitor means other business units which are making similar products or a very close substitute of our product. Competitors play a vital role in running the business enterprise. Business has to adjust its various activities according to the behaviour of the competitors.
4. Market Intermediaries- Every business enterprise may be assisted by market intermediaries which include agents, brokers who help the company find customers. It is a link between company and final consumer. Market intermediaries help the company to promote, sell and distribute its goods to final buyers. Examples: Wholesalers, retailers, advertising agencies, consultancy firms, banks, insurance companies, warehouse, transport agencies etc.

5. **Public** -Public is any group that has actual or potential interest in the business. To achieve this interest, it has its impact on the business. Public includes users and non-users of the product like Environmentalists, NGOs, Local Community, Media.

Macro- Environment

“The macro environment consists of the broader economic, social, political, legal, demographic and technological setting within which the industry and the business units are placed.”

A company and the forces operate in a larger Macro environment that shape opportunities and pose threats to the company. **These factors are generally more uncontrollable than the micro forces.**

1. **ECONOMIC ENVIRONMENT** -Economic environment consists of economic factors that influence the business in a country. It is very complex and dynamic in nature that keeps on changing with the change in policies or political situations. Key components of economic environment are: **(A) Economic Conditions of Public (B) Economic Policies (C) Economic System**

The economic conditions of a nation refer to a set of economic factors that have great influence on business organizations and their operations. These include gross domestic product, per capita income, markets for goods and services, availability of capital, foreign exchange reserve, growth of foreign trade, strength of capital market etc. All these help in improving the pace of economic growth.

(b) Economic Policies: All business activities and operations are directly influenced by the economic policies framed by the government from time to time. **Some of the important economic policies are:** – Monetary policy – Industrial policy – Fiscal policy – Foreign investment policy – Export –Import policy (Exim policy)

C) Economic System: The world economy is primarily governed by three types of economic systems, viz., **(i) Capitalist economy; (ii) Socialist economy; and (iii) Mixed economy. India has adopted the mixed economy system which implies coexistence of public sector and private sector.**

2. POLITICAL-LEGAL ENVIRONMENT- Political environment affects different business units significantly. A stable and dynamic political environment is essential for business growth. Whenever there is a change in the Government in a democratic country, it is a sign of change in economic policies. The Political environment of business depends on:

1. Ideology of the Government
2. Political Establishment
3. Political Stability in the country
4. Relations with other countries
5. Defense and Military Policy
6. Centre State Relationship

7. Approach of Opposition parties towards business

LEGAL ENVIRONMENT -Legal environment constitutes the laws framed by the Government and various legislations passed in the parliament. The businessman cannot overlook the legislations because he has to perform his business transactions within the framework of legal environment. Every aspect for business is regulated by law in India. Government has also framed legislations which regulate and control the business. Some of the main legislations regulating the business are as follows:

- . Industrial Dispute Act, 1947
- Factories Act, 1948
- Consumer Protection Act, 1986
- Companies Act, 1956
- Foreign Exchange Management Act 1999
- Securities and Exchange Board of India Guidelines, 2000

SOCIAL & CULTURAL ENVIRONMENT- Business is an integral part of society and both influence each other. Influence exercised by social and cultural factors is known as socio-cultural environment. These factors include: attitude of people, family system, caste system, religion, education, marriage, habits and preferences, languages, urbanization, customs and traditions, ethics etc.

4. TECHNOLOGICAL ENVIRONMENT -A systematic application of scientific knowledge is known as technology. Everyday there are vast changes in products, services, lifestyles and living conditions, these changes must be analyzed by every business unit and should adapt these changes.

5. DEMOGRAPHIC ENVIRONMENT- Demography is the study of human population and its distribution. Demography deals with people and people constitute market for company's products. These demographic features relate to growth of population Birth and Death rates, Sex ratio, Age group, rate of literacy, ethnic group, and density of population, rural and urban and so on. Thus, if the total population consists more of old people and babies, there is more demand for medicines and walking sticks. Younger generation component speaks of demand for personality improvement products. Quality of life is greatly influenced by rate of literacy and so on. All these factors affect size of demand, tastes, fashion, liking, preferences of consumer etc.

6. NATURAL OR ECOLOGICAL ENVIRONMENT -It includes geographical and ecological factors such as natural resources, weather and climatic conditions, port facilities, topographical factors such as soil, rivers, rainfall, pollution etc. Every business unit must look for these factors before choosing the location for their business.

7.Competition: Competitive environment is a major component affecting the marketing efforts. A wise and skilful marketing executive constantly monitors all aspects of competitor's marketing activities namely, their products, pricing, distribution system, promotion programmes and so on. As firms are going global, there is threat of external competition in addition to internal competition. Today, Indian market is filled with all foreign products in important areas like electronics, electrical, textiles, agro-based products and the

like. The types of competition can be brand competition, substitute product competition, limited customer competition.

8. INTERNATIONAL/ GLOBAL ENVIRONMENT -International environment is important for industries directly depending on import and export. A recession in foreign market or protection policy by foreign nations may create difficulties for industries depending on exports. Liberalization of import may help some industries but may adversely affect other industries. The global environment refers to those factors which are relevant to business, such as the WTO principles and agreements; other international conventions/ treaties / agreements / sentiments in other countries etc. For e.g. hike in crude oil prices has a global impact etc. World is becoming one market, improving quality, Competition from MNCs, Capital and technology transfers, deciding which markets to enter and what products to manufacture, Adjusting the management process are some of the issues that need to be considered.

Following factors of international environment affect business:

1. Globalization
2. Liberalization
3. International agreements and declarations
4. International terrorism
5. Cultural exchange

Examples of External Business Environment

Amazon's adaptation to new data privacy laws

Amazon's adaptation to new data privacy laws like GDPR required changes in data handling and customer communication practices.

Tesla's response to rising fuel prices

Tesla's response to rising fuel prices increased demand for electric vehicles, helping boost sales.

Coca-Cola's adjustments to consumer health trends

Coca-Cola's adjustments to consumer health trends led to the introduction of low-sugar and sugar-free drink options.

Apple's supply chain disruptions during the COVID-19 pandemic

Apple's supply chain disruptions during the COVID-19 pandemic impacted product availability and led to shifts in manufacturing strategies.

Uber's entry into new markets

Uber's entry into new markets required compliance with local transportation laws and regulatory changes.

SOCIAL RESPONSIBILITY OF BUSINESS

Social Responsibility of Business can be defined as the obligation an organization's management team has towards the interests and welfare of the society or community that provides it with resources and environment to not only survive but flourish.

There are four dimensions of Corporate Responsibilities:

- **Economic:** Responsibility to earn profit for owners
- **Legal:** Responsibility to comply with laws
- **Ethical:** Doing what is right, just and fair
- **Voluntary and Philanthropic** -Promoting human welfare and goodwill. Being a good corporate citizen contributing to community and quality of life.

Industrial Policy

Industrial Policy is a **formal declaration undertaken by the Government** that outlines the government's **general policies for industries**. An industrial policy is any government action which is aimed at affecting the industrial sector. As an instrument of industrialization, any country should formulate industrial policies. Further, in a country like India, where the private sector co-exists in business, it is important to control and regulate the sector.

It is characterized by **actions and policies of the government** which impact the industrial development of a country.

The objective of industrial policy is to promote industrial development in a country. Also, to create an environment that encourages and facilitates the growth of industries.

Some of the key objectives of the industrial policy include:

- **Balanced regional development:** Industrial policy seeks to encourage industrial development nationwide. It tries to lessen regional differences in economic development and growth.
- **Employment generation:** Industrial policy tries to give chances for employment to the expanding population. It does this by encouraging the development of industries that provide jobs.
- **Economic growth:** The primary goal of industrial policy is to promote economic growth. This is done through industrialization. It can lead to increased employment opportunities and a higher standard of living for the people.
- **Foreign investment:** Industrial policy aims to attract foreign investment to the country. It can help to boost industrial growth and bring in new technology and expertise.
- **Technology development:** Industrial policy encourages the development and adoption of new technologies. It can help improve industries' efficiency and productivity.

- **The industrial policy aims to foster economic growth and raise living standards.** This is done by fostering an atmosphere that fosters the growth and development of industries in a nation.

On April 30, 1948, the Government of India passed a policy resolution –

Industrial Policy Resolution, 1948

- It declared the Indian economy as Mixed Economy
- Small scale and cottage industries were given the importance
- The government restricted foreign investments

The Industrial Policy Resolution, 1948 (IPR, 1948). It divided the industrial sector into four broad groups:

- Group 1 – Basic and strategic industries like arms and ammunition, atomic energy, railways, etc. Further, these were in the exclusive monopoly of the State.
- Group 2 – Key industries like coal, iron and steel, shipbuilding, manufacture of telegraph, telephone, mineral oils, etc. The State took over the exclusive responsibility of all future developments in these industries. Also, the existing industries were allowed to function for 10 years. After the end of the tenure, the State would review and take adequate decisions.
- Group 3 – A total number of 18 industries including automobiles, tractors, machine tools, etc. The private sector was allowed to open these industries subject to government regulation and supervision.
- Group 4 – All the remaining industries. However, the government can participate or intervene if the need arises.

The IPR, 1948 also emphasized the importance of small-scale and cottage industries in India. To implement the IPR, 1948, the Government passed the industries (Development and Regulation) Act in 1951.

Industrial Policy Resolution, 1956 (IPR 1956)

- This policy laid down the basic framework of Industrial Policy
- This policy is also known as the Economic Constitution of India

On April 30, 1956, the Government revisited the IPR, 1948 and announced the Industrial Policy Resolution, 1956 (IPR, 1956). There were three reasons behind the revision:

- i. The introduction of the Constitution of India
- ii. The adoption of a planning system
- iii. The Parliament's declaration of adopting a socialist pattern of the society

The Industrial Policy Resolution - 1956 was shaped by the Mahalanobis Model of growth, which suggested that emphasis on heavy industries would lead the economy

towards a long-term higher growth path. The objective was to accelerate economic growth and boost the process of industrialization as a means to achieving a socialistic pattern of society. Given the scarce capital and inadequate entrepreneurial base, the Resolution accorded a predominant role to the State to assume direct responsibility for industrial development. **The Resolution widened the scope of the public sector.**

According to the IPR, 1956, the industries were classified in the following categories:

1. *Schedule A* – A list of 17 industries as the exclusive responsibility of the State. Of these, four industries, namely arms and ammunition, atomic energy, railways, and also air transport become Central Government monopolies and the rest under State Governments.
2. *Schedule B* – A list of 12 industries open to both the public and private sectors. However, these industries are progressively State-owned.
3. *Schedule C* – All the remaining industries. The private sector had the primary initiative of development. However, they needed to fit within the economic and social priorities and policies of the Government. Further, they were subject to the provisions of the Industries (Development and Regulation) Act, 1951.

The IPR, 1956 also stressed the importance of small-scale and cottage industries for expanding employment opportunities.

It is classified into three sectors

- **Schedule A – which covers Public Sector (17 Industries)**
- **Schedule B – covering Mixed Sector (i.e. Public & Private) (12 Industries)**
- **Schedule C – only Private Industries**

This has provisions for Public-Sector, Small-Scale Industry, Foreign Investment. To meet new challenges, from time to time, it was modified through statements in 1973, 1977, and 1980.

The Resolution, in fact, reflected the prevalent value system of India in the early 1950s, which was centered around self-sufficiency in industrial production. **The Industrial Policy Resolution – 1956 was a landmark policy statement and it formed the basis of subsequent policy announcements.**

Industrial Policy Statement, 1977

A Statement in the Parliament in December 1977 modified the Industrial Policy. The main thrust was in favor of the small-scale sector. Further, this was classified into three sub-sectors:

- **Household and Cottage industries which provided large-scale self-employment.**
- **Tiny sector industries, if the investment amount was below a specified limit.**
- **Small-scale industries, which were larger than the first two categories but had investment within certain limits.**

This policy was an extension of the 1956 policy.

The main was employment to the poor and reduction in the concentration of wealth.

This policy majorly focused on Decentralisation

It gave priority to small scale Industries

It created a new unit called “Tiny Unit”

This policy-imposed restrictions on Multinational Companies (MNC).

This Statement emphasized decentralization of industrial sector with increased role for small scale, tiny and cottage industries.

It also provided for close interaction between industrial and agricultural sectors. Highest priority was accorded to power generation and transmission.

It expanded the list of items reserved for exclusive production in the small scale sector from 180 to more than 500. For the first time, within the small scale sector, **a tiny unit was defined as a unit with investment in machinery and equipment up to Rs.0.1 million and situated in towns or villages with a population of less than 50,000 (as per 1971 census).**

Basic goods, capital goods, high technology industries important for development of small scale and agriculture sectors were clearly delineated for large scale sector.

It was also stated that foreign companies that diluted their foreign equity up to 40 per cent under Foreign Exchange Regulation Act (FERA) 1973 were to be treated at par with the Indian companies.

The Policy Statement of 1977 also issued a list of industries where no foreign collaboration of financial or technical nature was allowed as indigenous technology was already available. Fully owned foreign companies were allowed only in highly export oriented sectors or sophisticated technology areas.

For all approved foreign investments, companies were completely free to repatriate capital and remit profits, dividends, royalties, etc.

Further, in order to ensure balanced regional development, it was decided not to issue fresh licenses for setting up new industrial units within certain limits of large metropolitan cities (more than 1 million population) and urban areas (more than 0.5 million population).

Industrial Policy Statement, 1980

The Industrial Policy Statement of 1980 addressed the need for promoting competition in the domestic market, modernization, selective Liberalization, and technological up-gradation and modernization of industries.

Some of the socio-economic objectives spelt out in the Statement were

- i) optimum utilisation of installed capacity,
- ii) ii) higher productivity,
- iii) iii) higher employment levels,
- iv) iv) removal of regional disparities,

- v) v) strengthening of agricultural base,
- vi) vi) promotion of export oriented industries and
- vii) vi) consumer protection against high prices and poor quality.

Policy measures were announced to revive the efficiency of public sector undertakings (PSUs) by developing the management cadres in functional fields viz., operations, finance, marketing and information system.

An automatic expansion of capacity up to five per cent per annum was allowed, particularly in the core sector and in industries with long-term export potential.

Special incentives were granted to industrial units which were engaged in industrial processes and technologies aiming at optimum utilization of energy and the exploitation of alternative sources of energy.

In order to boost the development of small scale industries, the investment limit was raised to Rs.2 million in small scale units and Rs.2.5 million in ancillary units.

In the case of tiny units, investment limit was raised to Rs.0.2 million.

Apart from recognizing the need to improve the management of the public sector, the IPR, 1980 provided certain clarifications and extensions.

- **Optimum utilization of installed capacity**
- **Higher productivity and more employment**
- **Preferential treatment for industrially backward units to remove regional disparities**
- **Promotion of export-oriented and also import-substitution industries**
- **Extending a preferential treatment to agro-related industries to increase the agriculture base of the economy.**
- **It liberalised licensing and provided for the automatic expansion of capacity.**
- **Due to this policy, the MRTP Act (Monopolies Restrictive Trade Practices) and FERA Act (Foreign Exchange Regulation Act, 1973) were introduced.**
- **The objective was to liberalize the industrial sector to increase industrial productivity and competitiveness of the industrial sector.**
- **The policy laid the foundation for an increasingly competitive export-based and for encouraging foreign investment in high-technology areas.**

An Overview of Industrial Policies till 1991 is as follows:

The Industrial Policy 1991 is preceded by the Industrial Policy Resolutions of 1948 & 1956 & Industrial Policy Statements of 1973, 1977 & 1980, which are in brief as follows:

Industrial Policy Resolution, 1948 –The Policy aimed at outlining the approach to Industrial growth

& development. It emphasised the importance to the economy of securing a continuous increase in production and ensuring its equitable distribution

Industrial Policy Resolution, 1956 - Under the Policy the role of State was given more importance as an engine for accelerating the economic growth and speeding up the industrialization as a means of achieving a socialist pattern of society.

Industrial Policy Statement, 1973 – The thrust of this Policy Statement was an identification of high-priority industries where investment from large industrial houses and foreign companies were permitted.

Industrial Policy Statement, 1977 - The Policy emphasized on decentralization and growth of small-scale industries.

Industrial Policy Statement, 1980 - The Policy ensued promoting competition in domestic market, technology upgradation and modernization. The policy laid the foundation for an increasingly competitive export based and for encouraging foreign investment in high-technology areas.

Industrial Policy 1991

Objectives

The main objectives of the Policy were as follows:

- To maintain a sustained growth in productivity and gainful employment and attain international competitiveness.
- Self-reliance or building up the ability to pay our import bills through our own foreign exchange earnings and developing indigenous capacity in technology and manufacturing
- Pursue sound policy framework encompassing encouragement to entrepreneurship, development of indigenous technology, dismantling of the regulatory system.
- Development of capital markets and increasing competitiveness
- Spread of industrialization to backward areas through appropriate incentives, institutions and infrastructure investments
- Encourage foreign investment and technology collaboration
- Abolish monopoly of any sector or any individual enterprise in any field of manufacture except on strategic and military considerations and open all manufacturing activity to competition
- Ensure that public sector plays its rightful role in strategic areas of national importance.
- Protect the interests of labour, enhance their welfare and equip them to deal with technology change

New Industrial Policy, 1991

On July 24, 1991, the Government of India announced a new, liberalized industrial policy. This policy scrapped the asset limit for Monopolies and Restrictive Trade Practice (MRTP) companies.

Further, it abolished industrial licensing of all projects with a few exceptions. It also raised the limit for foreign participation in the country's industrial sector. Here are the highlights:

- The policy abolished industrial licensing for all projects with the exception of a few selected sectors. Further, the exemption from licensing applied to all substantial expansions of existing and new units.
- It provided for the automatic clearance for import of capital goods.
- With respect to the Monopolies and Restrictive Trade Practice (MRTP) Act, the policy stated that the pre-entry scrutiny of investment decisions by the MRTP companies was no longer needed.
- The policy also scrapped the asset limit of the Monopolies and Restrictive Trade Practice (MRTP) companies.
- It envisaged the divestment of government equity in public sector to mutual funds, financial institutions, the general public, and also the workers. As of 2008, the reservation for the public sector was very limited.
- There were only two sectors covering the manufacture of certain substances relevant to atomic energy (along with the production of atomic energy) and also the provision of railway transport.
- The policy provided approval for direct foreign investment of up to 51 percent in certain high-priority industries. The government made these changes in order to increase foreign investment in those sectors.
- There was an existing locational policy for industries. The IPR, 1991 provided that in locations other than cities with a population of more than one million, the industries do not require any approval.
- Further, the only exception is those industries which require compulsory licensing.

The New Industrial Policy, 1991 had the main objective of providing facilities to market forces and to increase efficiency.

Larger roles were provided by

- L – Liberalization (Reduction of government control)
- P – Privatization (Increasing the role & scope of the private sector)
- G – Globalisation (Integration of the Indian economy with the world economy)

Because of LPG, old domestic firms have to compete with New Domestic firms, MNC's and imported items

Liberalization -Liberalization refers to the process of eliminating unnecessary controls and restrictions on the smooth functioning of business enterprises. It includes:

- (i) abolishing industrial licensing requirement in most of the industries;
- (ii) freedom in deciding the scale of business activities;
- (iii) freedom in fixing prices of goods and services;
- (iv) simplifying the procedure for imports and exports;
- (v) reduction in tax rates; and
- (vi) simplified policies to attract foreign capital and technology to India .

Through this liberalization process, Indian Economy has opened up and started interacting with the world in a big way. This has resulted in easy entry of foreign business organisations in India. This has further resulted in stiff competition and efficiency. **Ultimately, liberalization has helped us in achieving a high growth rate, easy availability of goods at competitive rates, a healthy and flourishing stock market, high foreign exchange reserve, low inflation rate, strong rupee, good industrial relations, etc.** The government allowed Domestic firms to import better technology to improve efficiency and to have access to better technology. The Foreign Direct Investment ceiling was increased from 40% to 51% in selected sectors. The maximum FDI limit is 100% in selected sectors like infrastructure sectors. Foreign Investment promotion board was established. It is a single-window FDI clearance agency. The technology transfer agreement was allowed under the automatic route. Industrial licensing was abolished except for 18 industries.

Privatization refers to reducing the role of public sector by involving the private sectors in most activities.

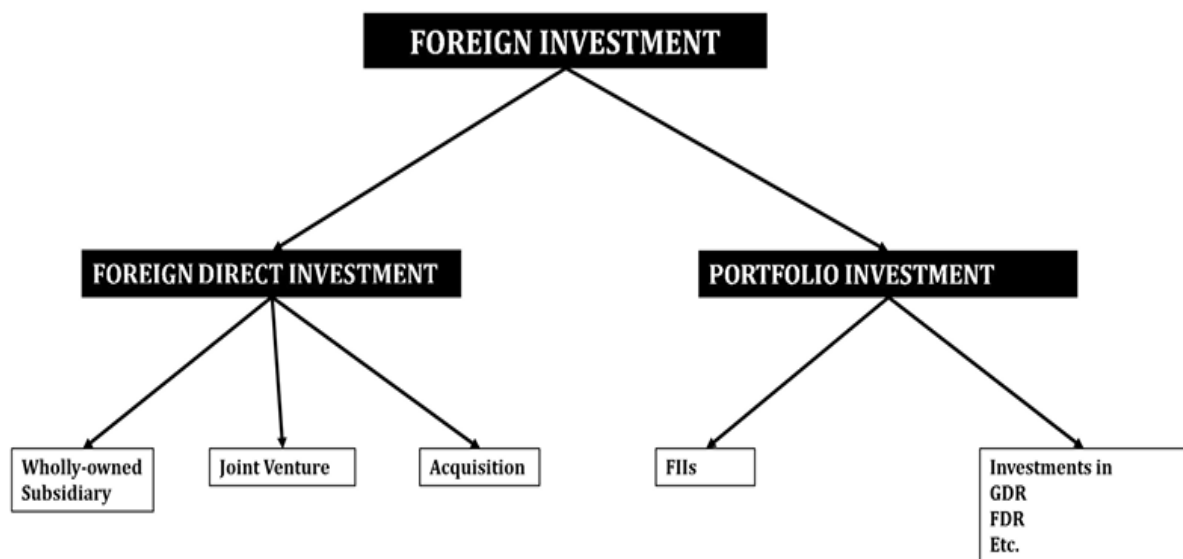
Due to the policy reforms announced in 1991, the expansion of public sector has literally come to a halt and the private sector registered fast growth in the post-liberalised period.

The issues of privatization include: reduction in the number of industries reserved for the public sector from 17 to 8 (reduced further to 3 later on) and the introduction of selective competition in the reserved area; disinvestment of shares of selected public sector industrial enterprises in order to raise resources and to encourage wider participation of general public and workers in the ownership in business; improvement in performance through an MOU system by which managements are to be granted greater autonomy but held accountable for specified results. **In India, as a result of these steps, the post liberalization phase has witnessed a massive expansion of the private sector business in India.**

Globalization means „integrating“ the economy of a country with the world economy. This implies free flow of goods and services, capital, technology and labour across national boundaries.

To achieve these objectives of globalization, the government has adopted various measures such as reduction in custom duties, removal of quantitative restrictions or quotas on exports and imports, facilitating foreign investment and encouragement of foreign technology. These measures are expected to achieve a higher rate of growth, enlargement of employment potential, and reduction of regional disparities.

The following chart shows the different modes of Foreign Investment in India.



“Foreign Direct Investment, commonly known as FDI, refers to investment in a foreign country where the investor retains control over the investment”. The FDIs are governed by long-term consideration because these investments cannot be easily liquidated. It typically takes the form of starting a subsidiary, acquiring, a stake in an existing firm, starting a joint-venture in the foreign country.

A Foreign Institutional Investor (FII) is an investor or investment fund registered in a country outside of the one in which it is investing.

Portfolio Investment -When the investor makes only investment and does not retain control over the enterprise is known as port-folio investment. The investor is interested only in return on his capital and does not want control over the use of invested capital. This kind of investments are for short-period and short-term gains; and these can be easily liquidated.

FIIs – Foreign Institutional Investors

- **FDR – Foreign Depository Receipts**
- **GDR – Global Depository Receipts**
- **ADR – American Depository Receipts**
- **FCCBs – Foreign Currency Convertible Bonds etc.**

SALIENT FEATURES OF INDUSTRIAL POLICY, 1991

To attain these objectives, Government took a series of initiatives in regard to policies in the following areas.

a) Industrial Licensing

b) Foreign Investment

c) Foreign Technology agreements

d) Public Sector Policy

e) Monopolies and Restrictive Trade Practices (MRTP) Act, 1969

Industrial Licensing Policy

Industrial licensing was abolished for all industries irrespective of their level of investment except specified industries. These specified industries will continue to be subject to compulsory licensing for reasons related to security and strategic concerns, social concerns, problems related to safety and environmental issues, manufacture of products of hazardous nature.

Foreign Investment

In order to invite foreign investment in high priority industries requiring large investments and advanced technology, it has been decided to provide approval for direct foreign investment upto 51% foreign equity in 33 industries.

Foreign Technology Agreement

With a view to injecting the desired level of technological dynamism in Indian industry, Government will provide automatic approval for technology agreement related to high priority industries within specified parameters. Similar facilities will be available for other industries as well if such agreements do not require the expenditure of foreign exchange. Indian companies will be free to negotiate the terms of technology transfer with their foreign counterparts according to their own commercial judgment.

Public Sector Policy

Government decided to strengthen the public enterprises, which fall in reserved areas of operation or are in high priority areas or generating reasonable profit. Such enterprises were given a much greater degree of management autonomy through the system of memoranda of understanding. Competition was induced in these areas by inviting private sector participation.

Monopolies and Restrictive Trade Practices Act – Under MRTP commission, MRTP Act was introduced to check monopolies. The MRTP Act was relaxed in 1991. On the recommendation of the SVS Raghavan committee, Competition Act 2000 was passed. Its objectives were to promote competition by creating an enabling environment.

The Industrial Policy Statement of 1991 recognized that the Government's intervention in investment decisions of large companies through MRTP Act had proved to be deleterious for industrial growth. Accordingly, pre-entry scrutiny of investment decisions of MRTP companies was abolished. The thrust of policy was more on controlling unfair and restrictive trade practices. The provisions restricting mergers, amalgamations and takeovers were also repealed.

The common influence and impact of such changes in business and industry are explained below:

1. Increasing Competition.

After the new policy, Indian companies had to face all round competition which means competition from the internal market and the competition from the MNCs. The companies which could adopt latest technology and which were having large number of resources could only survive and face the competition. Many companies could not face the competition and had to leave the market.

2. More Demanding Customers:

Prior to new economic policy there were very few industries or production units. As a result there was shortage of product in every sector. Because of this shortage the market was producer-oriented, i.e., producers became key persons in the market.

But after new economic policy many more businessmen joined the production line and various foreign companies also established their production units in India.

3. Rapidly Changing Technological Environment:

Before or prior to new economic policy there was a small internal competition only. But after the new economic policy the world class competition started and to stand this global competition the companies need to adopt the world class technology.

To adopt and implement the world class technology the investment in R & D department has to increase. Many pharmaceutical companies increased their investment in R and D department from 2% to 12% and companies started spending a large amount for training the employees.

4. Necessity for Change:

Prior to 1991 business enterprises could follow stable policies for a long period of time but after 1991 the business enterprises have to modify their policies and operations from time to time.

5. Need for Developing Human Resources:

Before 1991 Indian enterprises were managed by inadequately trained personnel's. New market conditions require people with higher competence skill and training. Hence Indian companies felt the need to develop their human skills.

6. Market Orientation:

Earlier firms were following selling concept, i.e., produce first and then go to market but now companies follow marketing concept, i.e., planning production on the basis of market research, need and want of customer.

7. Loss of Budgetary Support to Public Sector:

Prior to 1991 all the losses of Public sector were used to be made good by government by sanctioning special funds from budgets. But today the public sectors have to survive and grow by utilizing their resources efficiently otherwise these enterprises have to face disinvestment.

On the whole the policies of Liberalisation, Globalisation and Privatisation have brought positive impacts on Indian business and industry. They have become more customer focus and have started giving importance to customer satisfaction.

8. *Export a Matter of Survival:*

The Indian businessman was facing global competition and the new trade policy made the external trade very liberal. As a result to earn more foreign exchange many Indian companies joined the export business and got lot of success in that. Many companies increased their turnover more than double by starting export division.

Example, the Reliance Group(RIL), Videocon Group, MRF Tyres, Ceat Tyres, etc. got a great hold in the export market.

The ten major economic policies which are followed in India and has played a major role in the growth of Indian economy.

1) Industrial Policy,

2) Trade Policy,

3) Monetary Policy,

- Open Market Operations for purchase and sale of Bonds, Reserve Deposit Ratio, Discount rate of Interest for loan to banks,**

4) Fiscal Policy,

5) Indian Agricultural Policy (Post-Independence),

6) National Agricultural Policy (July 2000),

7) Industrial Policies,

8) International Trade Policy,

9) Exchange Rate Management Policy, and

10) EXIM Policy.

Industrial policy- It is a strategic attempt to influence the growth of various sectors. For the industrial development, specific roles are allocated to the different types of **industrial organisation** like **public, private, joint and cooperative sectors.**

- **What are the roles of industrial policy?**
- Formulation of Labour policy
- Tariff policy
- Fiscal policy
- Monetary policy

- According to world bank, “Industrial policy comprises government efforts to alter industrial structure to promote productivity based growth”.

Fiscal policy relates to the impact of government spending and tax on aggregate demand and the economy.

- Expansionary fiscal policy is an attempt to increase aggregate demand and will involve higher government spending and lower taxes.
- Expansionary fiscal policy will lead to a larger budget deficit.
- Deflationary fiscal policy is an attempt to reduce aggregate demand and will involve lower spending and higher taxes.
- This deflationary fiscal policy will help reduce a budget deficit.

Monetary policy involves influencing the supply and demand for money through interest rates and other monetary tools.

- Monetary policy is usually conducted by the Central Bank, e.g. India - RBI, UK – Bank of England, US – Federal Reserve.
- The target of Monetary policy is to achieve low inflation (and usually promote economic growth)
- The main tool of monetary policy is changing interest rates. For example, if the Central Bank feel the economy is growing too quickly and inflation is increasing, then they will increase interest rates to reduce demand in the economy.
- In some circumstances, Central Banks may use other tools than just interest rates. For example, in the great recession 2008-12, Central Banks in UK and US pursued quantitative easing. This involved increasing the money supply to increase demand.

Labour Policy

- **Labour law.** **Labour** law (also known as labour law or employment law) mediates the relationship between workers, employing entities, trade unions and the government.
- Individual **labour** law concerns employees' rights at work and through the contract for work.
- The term **Labour** Law is used to denote that body of laws which deal with employment and non-employment, wages, working conditions, industrial relations, social security and **labour** welfare of industrially employed, persons.

Tariff Policy

- **Tariffs** are used to restrict imports by increasing the price of goods and services purchased from overseas and making them less attractive to consumers.
- Governments may impose **tariffs** to raise revenue or to protect domestic industries – particularly nascent ones – from foreign competition.

Economic reforms adopted in the 1990s deeply modified India’s macro-economic environment, as well as the trade and investment regimes. By rewriting the rules of

economic governance in India's federal democracy, reforms have had far-reaching consequences on the relations between the union and the states.

In post-reform India, state government have grater policy space and more scope for influencing social and economic outcomes. In this context, state level policies are starting to receive garter attention than in the past.

Below mentioned some important state level policies of some major state:

1. Andhra Pradesh: thrust awarded to development of the projects by desalination power purchase agreements with private developer.

2. Gujarat:

Strong encouragement to private sector participations development of ports, power stations, desalination of water supply.

3. Haryana: an industrial model township with Japanese assistance Indo-German industrial park, a software technology park and export promotion industrial park are coming up in the state.

4. Kerala: steps have already been taken to initiate private participation in selected areas like power, ports and road develop.

5. Orissa: the FDI in the industrial promotion and investment corporation of Orissa will act as a single window for investment by non- resident Indians and foreign investors.

Industrial Policy Resolution 2015 – Govt. Of Odisha

Major Objectives

- To transform Odisha into a Vibrant Industrialised State
- To promote **Sustainable and Inclusive** Economic Growth
- To specifically promote **ITES, ESDM, Biotechnology, Agro, Marine and Food Processing, Tourism, Textiles and Apparel and Automotive Industries**
- To promote **Direct Employment** Intensive Sectors
- To encourage **linkage between MSME and Large** Industries (anciliary and down-streams)
- To emphasize on **Environment-friendly** and less polluting industries

Main Strategies

- Making **World class Infrastructure** and encourage active **participation of Private** sector industries
- **Skill Development** to increase employability (**Ready-to-employ** Human Resources)
- Effective **Grievance Redressal** mechanism for **speedy Implementation** and for post implementation issues

- **General Policy Framework emphasizes on,**
 - Investment Promotion
 - Ease of Doing Business
 - Simplification and Rationalisation of Regulatory Mechanism
 - Important Incentives include,
 - Land (Zone - A, B Zone - F denoted)
 - Interest Subsidy
 - Stamp duty exemption (in varying degree)
 - Electricity bill exemption (in slabs)
 - Tax reimbursement (VAT, Entry tax)
 - Employment Cost subsidy
 - Market Syndication and Assistance
 - Other prominent focus
 - Human Resource Development
 - Labour Reforms
 - Export promotion
