Ethics & Morality · GS - IV

Parmal is a small but underdeveloped district. It has rocky terrain that is not suitable for agriculture, though some subsistence agriculture is being done on small plots of land. The area receives adequate rainfall and has an irrigation canal flowing through it. Amria, its administrative centre, is a medium sized town. It houses a large district hospital, an Industrial Training Institute and some privately owned skill training centres. It has all the facilities of a district headquarters. A trunk railway line passes approximately 50 kilometres from Amria. Its poor connectivity is a major reason for the absence of any major industry therein. The state government offers a 10 years tax holiday as an incentive to new industry.

In 2010 Anil, an industrialist, decided to take benefits to set up Amria Plastic Works (APW) in Noora village, about 20 km from Amria. While the factory was being built, Anil hired the required key labour and got them trained at the skill training centres at Amria. This act of his made the key personnel very loyal to APW.

APW started production in 2011 with the labour drawn fully from Noora village. The villagers were very happy to get employment near their homes and were motivated by the key personnel to meet the production targets with high quality. APW started making large profits, a sizeable portion of which was used to improve the quality of life in Noora. By

2016, Noora could boast of a greener village and a renovated village temple. Anil liaised with the local MLA to increase the frequency of the bus services to Amria. The government also opened a primary health care centre and primary school at Noora in buildings constructed by APW. APW used its CSR funds to set up women's self-help groups, subsidize primary education to the village children and procure an ambulance for use by its employees and the needy.

In 2019, there was a minor fire in APW It was quickly extinguished as fire safety protocols were in place in the factory. Investigations revealed that the factory had been using electricity in excess of its authorized capacity. This was soon rectified. The next year, due to a nationwide lockdown, the requirement of production fell for four months. Anil decided that all employees would be paid regularly. He employed them to plant trees and improve the village habitat. APW had developed a reputation of high-quality production and a motivated workforce.

Critically analyse the story of APW and state the ethical issues involved.

Do you consider APW as a role model for development of backward areas? Give reasons.

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EXAM YEAR	PAPER	SUBJECT
2020	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
20	~250 words

Answer Hint

Entrepreneurial ethics, local employment, corporate social responsibility, inclusive growth, community development, environmental responsibility, regulatory compliance, employee welfare, sustainable development, role-model limitations

Model Answer

Introduction

Amria Plastic Works (APW) illustrates how responsible entrepreneurship can stimulate local development by combining profitability with employment generation and community welfare. However, its achievements must be assessed alongside regulatory compliance and environmental responsibility.

Positive ethical dimensions

- **Employment and dignity:** Hiring local villagers created livelihoods near their homes and reduced distress migration.
- **Skill development:** Training key personnel at local institutions strengthened human capital and workforce capability.
- **Corporate social responsibility:** Support for healthcare, education, women's self-help groups and emergency transport improved community welfare.
- **Community partnership:** Coordination with local representatives for better transport reflected collaborative development.
- **Employee welfare:** Continuing wages during the lockdown demonstrated compassion, loyalty and concern for workers' livelihoods.
- **Environmental contribution:** Tree planting and habitat improvement reflected awareness of ecological responsibility.
- **Responsible leadership:** Reinvesting part of the profits in village development linked commercial success with social progress.

Ethical concerns

- **Regulatory non-compliance:** Excess electricity consumption violated authorised limits and indicates inadequate compliance oversight.

- **Environmental responsibility:** A plastic-manufacturing unit must address waste management, emissions and resource efficiency.
- **Dependence on one enterprise:** Excessive reliance on a single employer can expose the village to economic shocks.
- **CSR versus core responsibility:** Community welfare initiatives cannot substitute for compliance with safety, labour and environmental laws.

Is APW a role model?

Yes, with qualifications. Its locally rooted employment, investment in human capabilities and support during a crisis offer a replicable model for backward areas. Governments can encourage similar enterprises through infrastructure, skill development, transparent incentives and access to markets.

However, replication must include strict regulatory compliance, environmental safeguards, independent monitoring and diversification of local livelihoods.

Conclusion

APW demonstrates that enterprise can become an instrument of inclusive development when profits support workers and communities. Its model is worthy of emulation only when social responsibility is matched by lawful, safe and environmentally sustainable operations.

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