

Why was the Indian Ecomark Scheme not successful?

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The desire for “environment-friendly” products and the urge to protect the environment developed in the late 70's due to the rise in awareness for a safe and clean environment. Awareness led to the desire to protect the environment from adverse effects caused due to production, use, consumption, and disposal of products. This desire gradually opened the doors in the market for green, environment-friendly products, which subsequently coined out a new concept called “ecolabels”.

Ecolabelling was first initiated by Germany in 1978 with the release of the “Blue Angel” program. They intended to enlighten consumer about the environment-friendly nature of a particular product. It evaluates, authenticate, and standardise “green” claims and inform consumers, by providing a product's overall environmental character thus conveying that the labelled product is more environment-friendly than most in its product category.

In 1991, Ministry of Environment and Forest (MoEF), Government of India launched its own ecolabelling scheme called “Ecomark” for easy identification of environment

friendly products. The label is awarded to consumer goods, which meet the specified environmental criteria and the quality requirements of Indian Standards. The criteria follows a cradle-to-grave approach, i.e. from raw material extraction, to manufacturing, and to disposal. Any product with the Ecomark is considered to be the right environmental choice!

Although the Ecomark is similar in many ways to ecolabels of other countries, it differs from most in one important aspect; ecolabels in most countries are awarded solely on the basis of environmental considerations, whereas in India, it is also linked with the quality of products. In other words, in order to be eligible, products must meet both environmental and quality criteria.

However, in spite of 22 long years of existence it has hardly caught the fantasy of buyers. Neither the producers nor the consumers are either aware about its existence or willing to go for this label. Those who have got the license for their product hardly use the same on their pack. The reason – no consumer demand for such labelled products and hence no extra profit!

In this backdrop, the objective of this article⁷ is to highlight the reasons why the Indian Ecomark Scheme has not succeeded as desired. Taking these reasons into consideration the present article makes some vital recommendations as to how the Scheme could be revived, reinvigorated and implemented to benefit consumers, producers and the society at large.

Too Many Product Categories

During the inception of the scheme, 16 product categories⁸ were identified and finalised for labelling. Each of the product category required to meet two sets of requirement - General requirement (common to all product categories) and Product specific requirements. These 16 product categories had around 132 sub-products; which were too many to start with. Criteria development for these 132 sub-products needed focused efforts and expertise but due to haste for completing and launching the Scheme, not much attention could be given to the criteria development of the sub-products. Awareness generation on the criteria developed and the use of the Ecomark scheme could not get the attention either.

⁷ This article is an abridged version of the research report by Pradeep S Mehta entitled 'Why was India's Ecomark Scheme Unsuccessful?' researched and written for CUTS Centre for International Trade, Economics & Environment.

⁸ I) Soaps and Detergents, II) Plastic Products, III) Food Items (such as edible oils, tea, coffee, baby food, processed foods and beverages), IV) Paper, V) Textiles, VI) Food Additives, VII) Cosmetics, VIII) Architectural Paints and Powder Coatings, IX) Batteries, X) Lubricating Oils, XI) Packaging Materials, XII) Aerosol Propellants, XIII) Pesticides, Insecticides, Biocides and Weedicides, XIV) Drugs, XV) Electrical /Electronic Goods and XVI) Wood substitutes.

A better approach would have been to start with a lesser number of product categories.

A Three-Tiered System

A three-tiered system was set up for the implementation of the Ecomark Scheme - an Inter-Ministerial Steering Committee (constituted in the Ministry of Environment and Forest MoEF), a Technical Committee (constituted in the Central Pollution Control Board CPCB), and the Bureau of Indian Standards (BIS). This existing three-tier system had been too bureaucratic and despite the fact that it was mandatory to have at least two consumer groups in the Steering and the Technical committees, environmental groups were ignored. This furthered the red-tapism in the operationalization of the Scheme. Also, there had been instances within the bureaucratic system, that one of the tier bypassed the other, creating discontent within the system itself.

The existing representation of the two Committees includes Government organisations. The Scheme was and still is heavily reliant on Government organisations because of which there has always been a lack of continuity of specialised officials (due to regular transfers) on ecolabelling from the member Government agencies or Ministries.

The exclusion of the Ministry of Finance from the Steering Committee, from inception, was regarded as inappropriate. This

Ministry would have considered the feasible suggestions on incentives and rewards more actively. This led to the lack of realisation of the two prime objectives of the Ecomark Scheme.⁹

Complex Process of the Ecomark Scheme

The process of developing product criteria for the grant of an Ecomark licence is too complex and time consuming as it goes through many rounds between Steering and Technical committee for approval. As a consequence, during the initial years after the launch of the Scheme, proper attention could not be given by the three bodies to popularize the Scheme in an effective manner.

Popularisation of the Ecomark Scheme

One of the major challenges for the success of any ecolabelling scheme is its popularisation i.e. raising awareness among producers, consumers and the society at large. As there had been inadequate marketing, the desired awareness of the Scheme among industry, consumers and government departments was never created. Evidently, the Scheme was launched without any communication strategy and with consumers not aware, the demand for Ecomark products never caught on. There was also no incentive for industry to introduce eco-friendly technologies and products.

Even after 22 years the launch of the

scheme, its credibility within India remains a big question mark, fuelled by the fact that the level of awareness of the Scheme among consumers as well as industry had been miserably low.

POLICY RECOMMENDATIONS

First, there is a need for a new, independent board with an advisory structure comprising of consumer, environmental and business groups. Second, there should be reduction and prioritization of the number of selected product categories to be included under the Scheme. Third, the product categories should be selected based on certain measurable parameters (for example, maximum adverse environmental impact or high national consumption). There should be a system that determines whether to include new product categories under the Scheme in view of the environmental dynamics.

In addition, the Scheme needs to be made more dynamic and forward looking by periodic revisions of criteria through wide stakeholder consultations that could motivate and encourage industry to attain a higher gradation. And most important of all, since the ecolabels can be used as Non-tariff trade barriers (NTBs), domestic as well as international requirements need to be balanced while setting a feasible criteria. The Government should press for equivalence and mutual recognition of the Schemes of different countries at the World Trade

⁹ These objectives being (i) to provide an incentive for manufacturers to reduce adverse environmental impact of products; and (ii) to reward genuine initiatives by companies to reduce adverse environmental impact of their products and processes.

Organization (WTO), as it will prove beneficial for industries.

Lastly, an effective National Awareness Campaign should be carried out to raise both consumer and industrial awareness and demand for the Ecomark.

CONCLUSION

During the procedure of developing and adopting an ecolabel there needs to be more involvement of stakeholders into the process, thereby increasing ownership and self-regulatory aspects of the Scheme. Role of the government should be restricted to that of a facilitator and reward industries that are contributing in improving the environment. Moreover, there is a need to first identify meaningful criteria specific to India, such as

conserving water and energy. Also, synergies with existing eco-labels at international level need to be addressed.

There is also a need to put some limit on the costs and fees that the applicant needs to pay while applying for the label. A reasonable fee that is assessed fairly without any discrimination on the grounds of size, location or other such factors do play a crucial role for attracting industry participation.

Furthermore, a program like ecolabel, which is a voluntary policy instrument developed to achieve environmental goals, needs to offer some incentives/awards to the business community to ensure their maximum participation. The manufacturers and retailers should be made to realize that by being part of such a program their

reputation in the market place would only improve, thus enhancing their brand image and credibility.

The involvement and support by environmental and consumer NGOs and also by the media are other key factors which could contribute in increasing the level of consumer awareness on environmentally preferable products. In a country where consumer awareness of environmental issues is low, it is difficult to convince companies that there is any advantage to be gained from an ecolabel. Hence, some initial awareness education is vital prior to, or in conjunction with, the re-introduction of ecolabelling. Therefore, any form of instigation to go for green products should begin from the government, once the existing scheme is re-imaged!

