

# **A Comparative Study of Eco labelling Strategy of Global Eco Labelling Network and Eco Mark Scheme of India**

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# Eco Labels.....

An eco label refers to labels that inform consumers that a labelled product is environmentally more friendly relative to other products in the same category.

## Categories of Eco Labels

- Type I - Voluntary scheme with independent verifications, covering the life cycle of a product like EU labels.
- Type II - Self declaration claims
- Type III - Environmental declaration like report cards/ information labels

## **Eco Labels as a tool**

Government - To encourage sound environmental practices

Companies - Identifying and developing markets both at the domestic and international levels for their environmentally preferable products

Consumers - Develop a consumption culture which preserve the precious natural resources

## **Global Eco labelling Network (GEN)**

The Global Ecolabelling Network (GEN) is a non-profit association of third-party, environmental performance recognition, certification and labelling organizations founded in 1994 to improve, promote, and develop the ‘ecolabelling’ of products and services. At the end of 2013 there were 26 members and 3 associate members spread across some 50 countries.

- Voluntary
- Address multiple environmental criteria
- Consider the entire life cycle of the product
- Transparency in their standard development process
- Rely on independent verification

## GEN momentum

- GEN initiated strategies and related activities to advance both internal and external promotion and awareness
- Significant achievement has been the creation of home page on the internet.
- GEN's participation in international level for addressing environmental labelling principles and practices, including in the International Organization for Standardization
- It conducts various conferences, seminars etc. to promote eco labelling worldwide

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- Become and serve as the world's most authoritative source of information on eco labelling
- Facilitate greater information exchange
- Promote and facilitate enhanced co-operation between programs
- Integrate ISO 14024 Guiding Principles in to the GEN code of 'Good Practice'
- Increase efforts in the 'Technical Assistance Program' area
- More actively promote eco labelling to international audiences including the  
WTO, OECD, ISO, UNEP, UNDP

## Eco Mark Scheme

Government of India implemented Eco Mark scheme in 1991. The first eco mark was given to ‘ Tide Detergent Company’ in 1994. 16 product categories to be covered under the scheme of ‘Eco Mark’. Only 20 licenses have been granted 15 companies across 4 product categories.

- ❖ Self financing program, requiring manufactures to pay for licensing
- ❖ Products have to comply with BIS quality standards before being able to apply for the Eco Mark

## Recent Issues on Eco Mark Scheme

- ❑ General awareness among the consumers and the industry about the eco mark is very minimal
- ❑ Lack of government programmes to initiate consumers and industry on eco labelling
- ❑ The belief of industry is that use of eco mark will not provide any competitive advantage
- ❑ Linking of eco mark with BIS's quality standards has significantly added the cost and complexity of obtaining eco mark



## Success of Indian Eco Mark Scheme

- ❖ Awareness among consumers is required
- ❖ Support from government to manufactures through purchase preference will give impetus to the scheme
- ❖ Price is the main factor in the consumer decision making, not environmental factors
- ❖ Government should conduct consumer awareness programmes and industry awareness programmes
- ❖ Only a few companies have been granted the licenses

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- ❖ Creating a market for eco mark products by the use of the government procurement policies giving preference to products with eco mark
- ❖ Increase the involvement of NGOs and consumer groups in generation of consumer awareness
- ❖ Provide financial and technical support to industry to adopt environment friendly practices.

## Conclusion

- ❖ The total demand for eco labelled products have been disappointing
- ❖ In developed countries, consumers demand eco friendly products because of the hygiene factors or because these products are different from others
- ❖ The awareness level of people about eco labelled products in developing countries like India are much less
- ❖ Consumers in developed nations are willing to pay premium price for these products
- ❖ Lack of awareness among consumers about eco friendly products especially in India

**Thank You**