



Journal Homepage: -www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI:10.21474/IJAR01/11438
DOI URL: <http://dx.doi.org/10.21474/IJAR01/11438>



RESEARCH ARTICLE

GREENWASHING AS AN ECONOMIC ISSUE

Nishtha Manaksia

Manuscript Info

Manuscript History

Received: 31 May 2020
Final Accepted: 30 June 2020
Published: July 2020

Abstract

Copy Right, IJAR, 2020,. All rights reserved.

Introduction:-

Picture this: You are at a Toy Store and you have been left with a choice. To either spend more on items that contain toxic material OR just pick a regular non-toxic toy box.

This widespread demand has pushed toy makers and many others into greening their operations.

Greenwash today, or suffer tomorrow:

Greenwashing is the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice.

It refers to organizations misrepresenting themselves as environmentally safe & responsible. The misleading labelling like all natural & green claims companies may seriously damage their brands and their sales if a green claim is discovered to be false or misleading. Thus, in other words presenting a product or service by advocating green, natural, environmentally safe when it is not in reality is called green washing. The irony of the “green” movement of companies is that many of the firms that spend a lot of finances and effort proving to the government and the public that they are trying to improve the environment, are often amongst the most profuse pollutants.

The number of trademarks such as “Go Green-Go Paperless” and “Help save a tree” are often unsubstantiated and can be misleading. As the demand for green products grows there’s also a huge increase in different certifications and logos that talk about natural products or green agents.

Greenwashing is the new green lie.

Greenwashing is the lie companies say to market their products. They enjoy a favourable public sentiment among existing environment friendly customers as global consumers say they are willing to pay more for sustainable brands. The big lies benefit the company through supportive government policies to help them grow. Thinking it's good news? Unfortunately not. In fact, they are operating and damaging ways to the environment while making the opposite claim.

Corresponding Author:- Nishtha Manaksia

	Variables	Means		Std. Deviation		Sig. (2-tailed)
		NR	R	NR	R	
Offline	Greenwashing	3.52	3.44	0.74	0.73	0.45 ^{NS}
	GCC	3.67	3.62	0.67	0.66	0.64 ^{NS}
	GPR	3.44	3.45	0.60	0.62	0.89 ^{NS}
	GT	2.79	2.78	0.67	0.64	0.97 ^{NS}
	PCS	3.54	3.47	0.79	0.77	0.49 ^{NS}
	SI	3.15	3.06	1.02	0.94	0.55 ^{NS}

NR = Non-respondent

R = Respondent

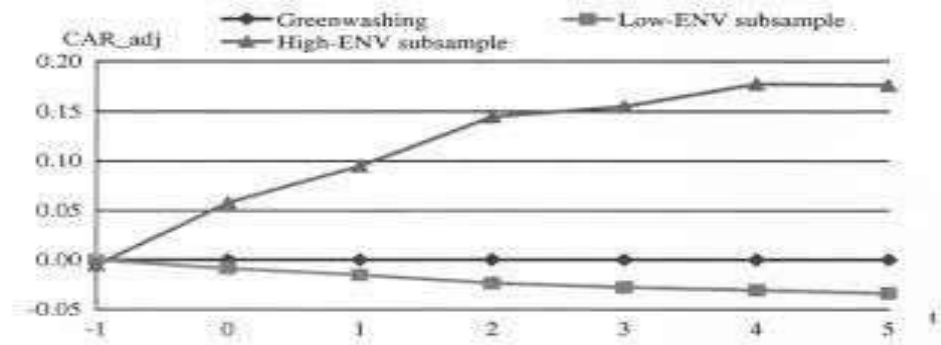
NS = not significant

The above table shows the results of a non-response bias test

source:https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.researchgate.net%2Ffigure%2FResults-of-Non-Response-Bias-Test_tbl3_296700585&psig=AOvVaw169wvJVZpRy6HiDC8JTDP8&ust=1584625803653000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCPDO6aOVpOgCFQAA AAdAAAAABAh

Reasons For Usage:

Greenwashing takes its toll on all involved. When greenwashing goes unnoticed, consumers are duped into buying products they think are environmentally sound. They unwittingly support the ecological offenses of businesses.



Graphical representation of greenwashing done in China

source:https://www.google.com/url?sa=i&url=http%3A%2F%2Fwww.jstor.org%2Fstable%2F10.2307%2F24702934&psig=AOvVaw0H_Rjg_zMSeknMg7yNLjs7&ust=1584624521620000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCIjS38KQpOgCFQAAAAAAdAAAAABAD

History:

Companies were induced to create a green image through advertising during the Environmental Movement. Jerry Madison, a former Madison

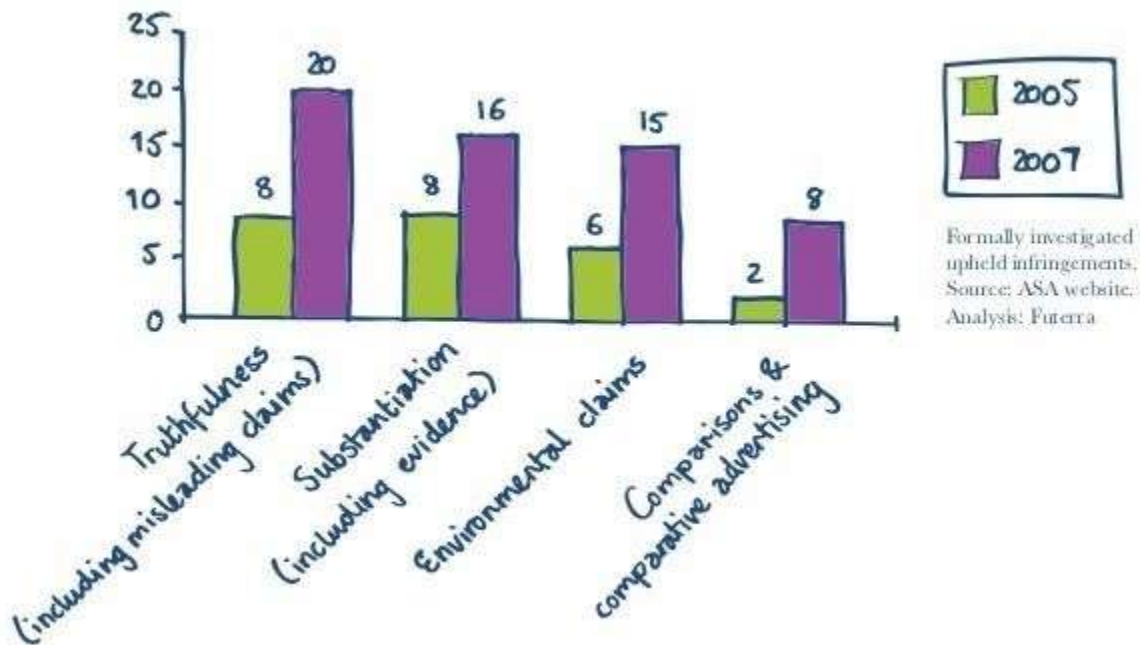
Avenue advertising executive, called this new form of advertising “ecopornography.”

In 1991, a study in the Journal of Public Policy and Marketing found that 58% of environmental ads had at least one deceptive claim. Another found that 77% of people said the environmental reputation of a company affected whether they would buy their products. One fourth of all household products marketed around Earth Day advertised themselves as being environment friendly.

Critics agree that greenwashing is, in fact, harmful to public health as well as the environment. In 2008, the Malaysia Palm Oil Council had a TV commercial which portrays itself as quite eco-friendly. However, critics soon pointed out that palm oil plantations are closely linked to rainforest species extinction, habitat loss, pollution, and other effects. The ad was then identified as a violation of advertising standards.

And with the buzz about greenwashing so common, company owners have to be careful of presenting baseless claims of being environmentally friendly. It only takes one complaint to the Advertising Standard Authority (ASA) to instigate an investigation against your company's claims.

More recently, social scientists have been investigating claims of and the impact of greenwashing. They found while companies in the oil and gas are more likely to implement environmental policies than service industry companies, they are less likely to commit to fossil fuel reduction.



The graph above shows the most popular infringements for complaints held against environmental claims from 2005 to 2007.

source: <https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.slidshare.net%2Fpatsario%2Ffuterra-greenwash-guide&psig=AOvVaw0qAjZT>

Mk_dNHsMJs6Kjtg1&ust=1584625632258000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCKi9xtKUPOgCFQAAAAAdAAAAABAD

Accusations:

According to Rawlins (2009), companies have three obligations to be transparent. First, companies must present accurate, substantial, and useful information. Second, companies must listen to stakeholders to discover the information they need. Third, companies must provide objective, balanced information about their activities and policies. He also stated that "The key to obtaining substantial completeness is knowing what your audience needs to know."

Greenwashing has evidently destroyed that phenomenon and created turmoil for customers.

Types Of Greenwashing

1. A company which claims credit for an existing production method as if they were influenced by an eco-friendly directive. For example, a company may eliminate the use of shrink wraps for packaging to cut costs but portray it as a green initiative.

2. A company might lie about the eco-friendliness of a product by using phrases such as “Best in class ecology”, packages showing green fields and flowers, certifications from ecomaniacs. This is a more extreme form of greenwashing.

Critical analysis:

Kraft cereal maker:

Kraft cereal maker produces a natural advantage line of cereal that includes “antioxidants” and “natural fiber”.

Yet the company uses genetically modified corn, potatoes, and soy in its morning treats, as well as milk products from rBGH (growth hormone)-treated cows.

OB sanitary napkins:

OB claims to save up to one pound of landfill waste per woman, per year by foregoing applicators. But they don’t mention the tons of herbicides, insecticides, fertilizers, fungicides, and other chemicals used to produce cotton crops.

Dean Foods:

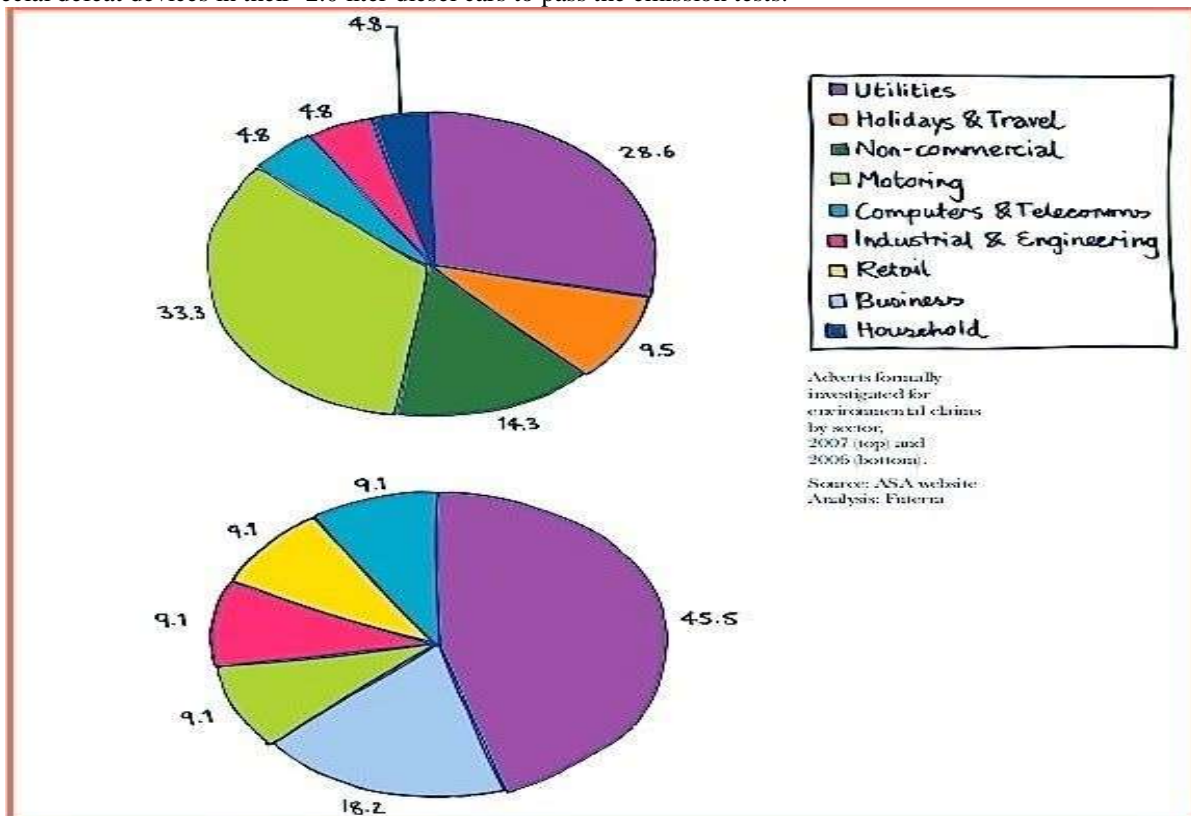
Dean downgraded several well-established Horizon products from organic to “natural,” an unregulated, relatively meaningless term. Dean didn’t inform major retailers of the switch. Instead, like a green ninja, they stealthily removed the word “organic” from the packaging without making any other changes, prompting national retailers like Target, to mislabel non-organic dairy products as organic. Habituated consumers continued to pay extra for products that used to be organic.

Cheetos:

They hope you’ll forget their signature Day-Glo orange puffs in favour of a high-fat, low-nutrient “natural” alternative containing high-fructose corn syrup, oil, and corn from genetically modified sources.

Volkswagen:

Volkswagen AG, the second biggest car-manufacturer of the world has admitted in September 2015 that they used special defeat devices in their 2.0 liter diesel cars to pass the emission tests.



source:<https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.slideshare.net%2FtheHumansNetwork%2Fgreenwash-guide-31126585&psig=A0vVaw3rJR70UQd0XoEsiLZLMHDV&ust=1584624348548000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCNDOiu2PpOgCFQAAAAAdAAAAABAD>

Dangers:

Vague, unsubstantiated, misleading, confusing, false or deceptive claims disadvantage everyone. They create distrust and reduce customer confidence in legitimate environmental benefits, disadvantage ethical traders, and promote the use of toxic and harmful substances

CorpWatch, a non-profit dedicated to keeping tabs on the social responsibility (or lack thereof) of U.S.-based companies, explains greenwashing as “the phenomena of socially and environmentally destructive corporations, attempting to preserve and expand their markets or power by posing as friends of the environment.”

Six Sins Of Greenwashing:

Hidden trade off- A claim suggesting that a product is ‘green’ based on a narrow set of attributes without attention to other important environmental issues. Shampoo, for example, is not necessarily environmentally preferable just because it comes from organic material as shown on the bottle. Other important environmental issues in shampoo manufacturing such as chemical ingredients and other contents which are not disclosed may be harmful for the environment and consumer. Corporations can put up an act of being environmentally friendly and sustainable but have a very non-environmental friendly trade-off. An example is when clothing companies use “natural” or “recycled” materials while the clothing is actually developed through exploitative conditions. Genuine companies would definitely provide more information on energy, water conditions, greenhouse gas emissions, etc.

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	05(02.84)	07(03.98)	02(01.14)	47(26.70)	115(65.34)	176	58.67
02	Female	01(0.86)	03(02.42)	01(0.86)	18(14.52)	101(81.45)	124	41.33
	Total	06(02.00)	10(03.33)	03(01.00)	65(21.67)	216(72.00)	300	100.00

Source: Primary Data

When asked about green washing and one of the sign of green washing i.e. hidden trade off most of the 115(65.34%) male and 101(81.54%) female respondents strongly agree that

advertisement shown below provoke hidden trade off needs to be taken care off immediately.

The above table shows sins of hidden trade off

source:<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>

No proof- An environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third party certification. Examples Huggies diapers and napkins that claim percentages of recycled content without providing evidence.

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	04(02.27)	07(03.98)	03(01.70)	33(20.45)	129(73.30)	176	58.67
02	Female	02(01.61)	01(0.81)	02(01.61)	12(9.68)	107(86.29)	124	41.33
	Total	06(2.00)	08(02.67)	05(01.67)	45(15.00)	236(78.67)	300	100.00

Source: Primary Data

When inquired about sign of no proof 129(73.30%) male and 107(86.29%) female respondents strongly agree that

advertisement shown below possesses sin of no proof whatever shown in the product.

The above table shows greenwashing as the sin of no Proofsource

:<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>

Vagueness- Environmental claims which fail to provide specifics and deem unintelligible.

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	05(02.48)	08(04.55)	04(02.27)	25(14.20)	134(76.14)	176	58.67
02	Female	02(01.61)	03(02.42)	01(0.86)	17(13.70)	101(81.45)	124	41.33
	Total	07(02.33)	11(03.67)	05(01.67)	42(14.00)	235(78.33)	300	100.00

The table above shows the sin of vagueness

source:<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>

Worshipping False Labels-Creating false certifications or labels to mislead consumers. Certain products are labelled “Certified”, “100% organic”, etc. without any supportive information to prove the same. There is a good chance that these labels are self-created and self-declared.

Table 7: Advertisement possesses sin of worshipping false labels

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	04(02.27)	09(05.11)	04(02.27)	23(13.06)	136(77.27)	176	58.67
02	Female	02(01.61)	03(02.42)	02(01.61)	15(12.09)	102(82.25)	124	41.33
	Total	06(02.00)	12(04.00)	06(02.00)	38(12.66)	238(79.33)	300	100.00

Source: Primary Data

The above table indicates sin of worshipping false label in the advertisement as high as 136 (77.27%) male and 102(82.25%)

female respondents strongly agree that advertisement shown below possesses sin of worshipping false label.

The table above shows the sin of worshipping false label source:

<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>

Irrelevance-An environmental claim that may be truthful but is undoubtedly important for consumers seeking environmentally preferable products. ‘CFC-free’ is a common example, since it is a frequent claim despite the fact that CFCs are banned by law. Sometimes, you might come across labels that say they are free of certain chemicals. The substance might actually be banned by the law and is irrelevant to advertise as going green. In addition, you might have also come across labels that say, “not tested on animals”. This becomes irrelevant in places like China where testing on animals is required by law.

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	05(02.84)	08(04.55)	02(01.14)	48(27.27)	113(64.20)	176	58.67
02	Female	01(0.81)	02(01.61)	03(02.42)	27(21.77)	91(73.39)	124	41.33
	Total	06(02.00)	10(03.33)	05(01.67)	75(25.00)	204(68.00)	300	100.00

Source: Primary Data

The above table indicates sin of irrelevance in the advertisement as high 13(64.20%) male and 91(73.39%)

female respondents strongly agree that advertisement shown below possesses sin of irrelevance in the product.

The table above shows the sin of irrelevance

source:<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>

1 126585

Fibbing- Environmental claims that are simply false. The most common examples were products falsely claiming to be energy star certified or registered. Using images of leaves, animals, green packaging, etc are all ways of classic greenwashing. In truth, genuinely eco-friendly products generally use simpler images and plain packaging.

Sr. No.	Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	%
01	Male	03(01.70)	09(05.11)	05(02.84)	63(35.80)	96(54.54)	176	58.67
02	Female	02(01.61)	03(02.42)	04(03.22)	28(22.58)	87(70.16)	124	41.33
	Total	05(01.67)	12(04.00)	09(03.00)	91(30.33)	183(61.00)	300	100.00

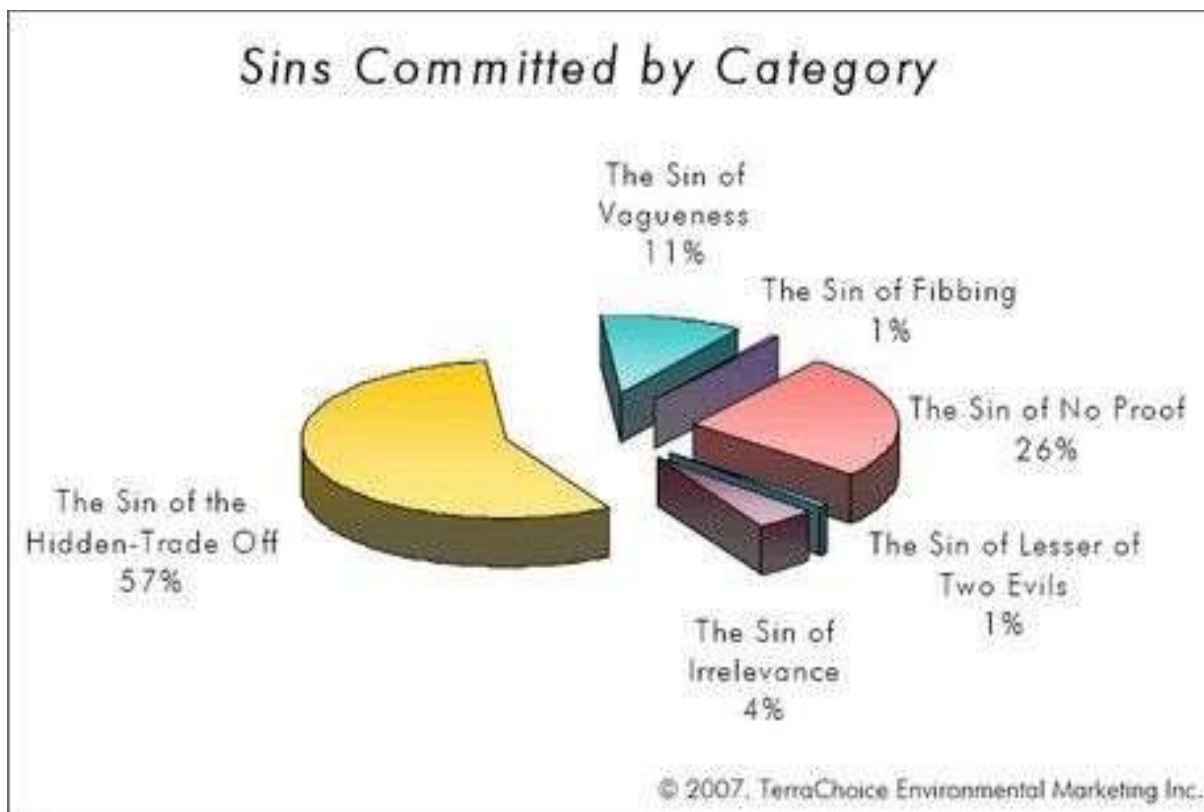
Source: Primary Data

The above table indicates sin of fibbing in the advertisement as high as 96(54.54%) male and 87(70.16%) female respondents

strongly agree that advertisement shown below possesses sin of fibbing in the produc

The above table shows the sin of fibbing

source:<https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>



Sins of greenwashing

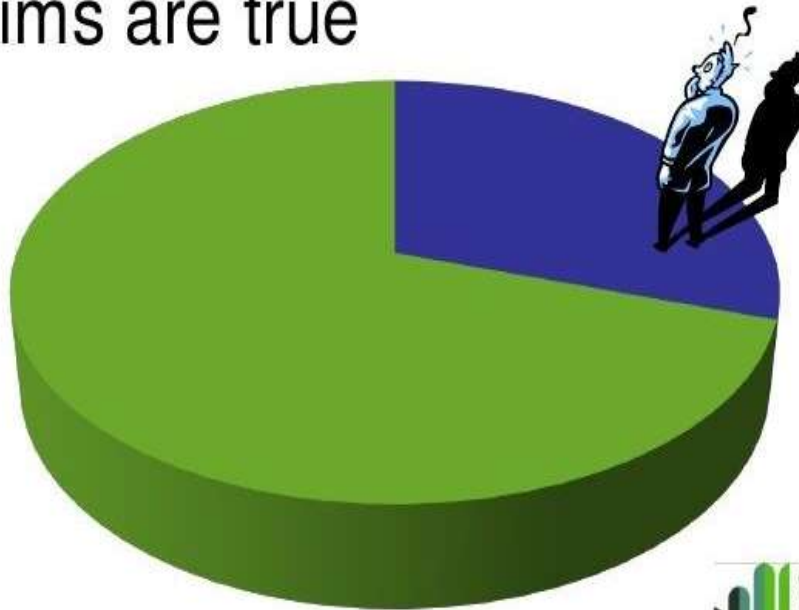
source:https://www.google.com/url?sa=i&url=http%3A%2F%2Fwww.kleanindustries.com%2F%2Fenvironmental_market_industry_news.asp%3FReportID%3D274537&psig=AOvVaw3Z8D5ywKq14Z6rzXeDdS2p&ust=1584624977054000&source=images&cd=vfe&ved=0CAIQjRqFwoTCOCJopmSpOgCFQAAAAAdAAAAABAJ

Right questions to ask to avoid being green-washed:

1. Is the information vague or specific-If you see a claim (such as-environment friendly, 100% natural) with no verification either on the package or the company website, then the claim may be misleading. Avoid products that make irrelevant claims.
2. What information is not there-Question percentage claims, such as "This product contains 50% more recycled content." Fifty percent more than what?
3. Look for certifications- Look out for reliable certifications like GOTS or FairTrade certifications.

4. Is there evidence of eco practices? Don't be misled by pretty pictures or use of earth-friendly colours on product labels. Just because a product label shows a forest doesn't mean the product inside is green.

30% of consumers say they can't tell if green product claims are true



Enviromedia



source:<https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.slidshare.net%2Fchallengeyourworld%2Fwhat-is-greenwashing&psig=AOvVaw3Z8D5ywKq14Z6rzXeDdS2p&ust=1584624977054000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCOCJopmSpOgCFQAAAAAdAAAAABA>

Being a consumer in search for quality products, you should be careful about the “Green Lies” that are sold in the name of “Green Goods”. The price for natural or organic labelled foodstuff is much higher than those without such labels hoping that the companies are truthful.

Greenwashing As An Issue In India:

The concept of a better environment is much more prevalent in the developed countries in the World. India, being a developing country, had little idea about such an awareness for about 10 years. Today as this idea is being brought to India gradually, Greenwashing is found as a growing threat here, as well.

Greenwashing is turning out to be an alarming issue in the developing country of India. According to the ‘Greenwashing Report 2010’, it was found that there were 73% more green products in the market than in 2009 and more than 95% of consumer products claiming to be green were found to commit at least one of the ‘sins of greenwashing’. In 2012, a consultancy Firm, Inter Brand evaluated and ranked companies on their environmental performance as well as the public’s perception of their green credentials.

Historically, cities were never on the government’s priority development agenda as policies were governed by the dictum that “India lives in her villages”. It is in this context that the National Democratic Alliance (NDA) government’s grandiose “100 smart cities” project holds mega significance as it marks a momentum shift in national

policy. This is a positive move as India is rapidly urbanising, and a much needed expansion of the previous Jawaharlal Nehru National Urban Renewal Mission (JNNURM) which was limited to 65 select cities. The new vision is to cover urban renewal of 500 cities, rejuvenation of heritage cities (like Varanasi) and the implementation of 100 smart cities (understood to be both “greenfield” and “brownfield” development).

Indian cities have been failed by their planners, engineers and governments and their collective desire to copy London, Tokyo or New York. The buzz over smart cities is interesting as for first time politicians are talking about improving our cities based on systems instead of aesthetics. But there are genuine fears that we might fall into the trap of westernised idea of smart cities and empty our limited coffers in building something which might further reduce our urban space into refined, high-end enclaves surrounded by vast, formless slums where issues like e-governance and broadband connectivity have little immediate relevance. Today, smart thinking will require not only copying the model cities of the already developed Western world, but also finding a new measure of liveability that will work for the Indian situation, where the cost of growth is unaffordable for most.

Formulating guidelines for such ambitious visions can be time consuming and the government should rightly take its time to get the details right. We cannot afford any more half-borrowed and half-understood schemes. The last government’s urban renewal mission couldn’t achieve its target, mostly owing to differences over money- and responsibility-sharing arrangements between the Centre and states. And the same malice seems to have stuck in smart cities.

Criminal indecision:

Times of India reported on December 21 that Rs 800 crore or just 11 per cent of the money allotted for smart cities has been spent so far by the Union urban development ministry. Most certainly, 80-85 percent of the fund would have to be surrendered come April. This is when about 250 under-construction urban infrastructure projects have been stalled because of drying up of Central government funds. This step-fatherly treatment of discontinuing funds for projects which were started under aegis of the previous government’s urban renewal mission is being justified on the ground that the scheme completed its sanctioned nine-year term on March 31, 2014.

It is highly unlikely these projects will be scrapped as thousands of crores have already been spent. Further, unlike mindless urban beautification drives such as the Ambedkar Parks of Uttar Pradesh, most of the stalled projects are genuine infrastructure projects which the respective cities are in dire need of. Interestingly, many are co-financed by states run by the BJP, indicating that in-principle even the ruling party supports the projects if not the model of their parent scheme. Even though NDA can be pardoned for the missing action plan on smart cities but this dual wastage of public money (due to delay of projects) and mandate (due to indecision on this matter) is hard to digest.

Conclusion:-

Many countries of the world have come up with solutions to stop greenwashing. Most of them have considerably reduced the evils of greenwashing. It is time for us to implement stricter rules relating to greenwashing. New laws and regulations should be implemented to monitor greenwashing and the companies should be punished for misleading environmental claims. The usage of an environmentally friendly image on the product which has no environmental impacts should be prohibited. Companies should stop the frequent use of green colour in the logos of different products. Green audit should be developed to evaluate the performance of the companies towards nature conservation. Government should hold corporations accountable by the media. Advertisement standards and corporate codes of conduct should be reformed. Governmental bodies, NGOs and environmentalists to come forward to stop greenwashing for the betterment of consumers and environment.

Greenwashing thus takes a toll on everyone who is involved. Customers are duped into buying products that they believed are environmentally friendly but are actually not. Once exposed, the offending businesses suffer from lower consumer confidence.

References:-

1. <https://whatis.techtarget.com/definition/greenwashing>
2. <https://en.wikipedia.org/wiki/Greenwashing>
3. https://wiki2.org/en/Environmentally_friendly
4. <http://www.businesspundit.com/the-top-25-greenwashed-products-inamerica/>

5. <https://envirofluid.com/articles/greenwashing-know-the-facts-to-protect-your-business/>
6. <https://business-ethics.com/2013/04/21/1838-what-is-greenwashing/>
7. <http://www.nsf.org/newsroom/how-to-avoid-greenwashing>
8. <http://www.managejournal.com/>
9. <https://www.slideshare.net/theHumansNetwork/greenwash-guide-31126585>
10. <https://www.feedough.com/what-is-greenwashing-types-examples/>
11. <https://www.downtoearth.org.in/blog/urban-development-agenda-2015-47972>.