ENVIRONMENT MANAGEMENT SYSTEM: ISSUES AND CHALLENGES

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ABSTRACT

Environmental management systems (EMSs) are intended to formalize procedures for managing and reducing environmental impacts. The last few decades of the 20th century have witnessed a growing awareness of not only the severity but also the diversity of environmental problems. Indian business is relatively young. Industrialization practically started after independence. The objective of the study is to give an overall introduction to Environmental Management System practices in India. The current paper focuses on need of EMS in Indian industry, issues associated with the EMS practices, benefits of practicing the EMS a brief discussion on ISO 14000 standards and other related aspects of EMS. Keywords: EMS, ISO 14000, Environmental Problems. Environmental management can be described as a methodology by which organizations acting in a structured manner assess their operations to ensure that they are functioning in an environmentally legitimate way. This study seeks to investigate barriers of environmental management systems implementation in Ghana. In all, fifty three environmental representatives were surveyed and the results show that the top most important factors hindering the implementation of environmental management implementation were: implementation cost and "too much paper work", the cost of certification, the quality of consultants, the time involved and the exposure of the organizations to regulatory bodies. Lack of human resources, the understanding of the system, the effect of environmental management system on the existing structure and its intended benefits do not seem to be barriers in India.

Keywords: India, systems, EMS, driving forces, environmental management.

INTRODUCTION

Environmental Management System (EMS) is the systematic attempt by companies to identify measure, document and reduce their environmental footprint by integrating these functions with the day to day affairs of management and decision making. The presence of EMS may indicate environmental friendliness of a company, the uncertainty of measurement related to indicators and indices may yield an unreliable picture of the environmental performance of the company. Definition: the British Standards Institute defines "The organizational structure, responsibilities, practices, procedures, processes and resources for determining and implementing environmental policy."

An EMS therefore generally follows the adoption of an environmental policy. The environmental policy formally outlines a company's commitments to environmental management and commonly includes commitments to reduce waste, pollution, energy and resource use, sets objectives and targets and reviews the company's

environmental performance. Once the policy and EMS are in place a company will consider the publication of an environmental report to document the company's progress against its policy and performance targets set within the EMS. Companies may adopt a certified EMS, such as ISO 14001 or Eco-management and audit scheme (EMAS), or they may develop their own „in-house" systems. Of the certified schemes, ISO 14001 is the most commonly adopted because of its international status and the success of its predecessor, the quality standard ISO 9000. ISO 14001 was written as a consensus standard with nearly 50 countries participating. It can be applied to an entire organization.

BACKGROUND

To control and properly manage pollutants, federal, state and local governments have developed environmental regulations that organizations must comply with or face penalties, fines and liability. Facilities often respond to these regulations and problems with successful solutions designed to meet the latest regulations but rarely coordinate their environmental activities into an overall management system. Environmental issues are becoming more complex, and the cost of waste management continues to rise. The traditional way of addressing environmental issues in a reactive, ad-hoc, end-of-pipe manner has proven to be highly inefficient. Increasingly, businesses have realized that environmental problems would be better managed in a systematic way. Just as businesses develop financial management systems to promote the efficient use and management of monetary resources, they realize that environmental management systems developed and integrated into the organizational structure will reduce risks from pollution and will help provide an opportunity to be more efficient and organized. EMSs help integrate environmental issues into business decisions and practices. Basically, they provide a framework for managing environmental responsibilities in a more systematic way. An EMS approach incorporates periodic review by top management and emphasizes continuous improvement instead of crisis management. The systematic nature of the EMS allows an organization to focus on implementation and to take a more inclusive and preview of environmental protection. However, by itself, an EMS does not guarantee compliance.

LITERATURE REVIEW

Any step involving the achievement of good environmental quality, inevitably involves some costs. This applies to the implementation of ISO 14001 environmental management systems and for that matter every environmental management system. A major source of irritation for SMEs, surfacing in a number of studies, is the cost of certification/validation (Goodchild, 1998; Bansal & Hunter, 2003; Hillary, 1998; Hillary, 1997a; KPMG Environmental Consulting, 1997; Ayirebi-Dansoh, Ayarkwa, & Amoah, 2010). Organisations are also aggrieved by the cost and quality of consultants advising them (KPMG Environmental Consulting., 1997), (NALAD, 1997). There are two costs, the cost of implementation and the cost of maintenance of the EMS. The implementation costs include costs incurred from activities a company undertakes to comply with the environmental management system which involves planning, identifying impacts and develop management plans, training and awareness, communication, documentation and document control, environmental functional reviews, miscellaneous, and the registration process. The maintenance costs however comprises of the costs incurred in monitoring the EMS,

records related to the EMS, auditing and the cost involved in reviewing the EMS to enable continual improvement. Human rather than financial resources are the major barriers impeding EMS implementation, (Poole, Coombs, & Van Gool, 1999; Goodchild, 1998). Apart from the costs involved, the institutional arrangements and polices can in some ways affects the number of organizations implementing an environmental management system. In the global market place companies considers institutions and public policies to be critical elements of the business environment. The institutional environment, which creates the rules of the game among economic agents, influences an agent's ability to efficiently contract with other agents (Williamson, 1996). This in most cases put constraints on industrial organizations, the market in which they operate, and the way firms responds to this institutions. In the environmental arena, the institutional environment is an essential influencing factor for firms because it creates not only the rules of the game, but also the market for environmental products and services (Reinhardt & Vietor, 1996). Uncertainty in the institutional environment, such as the behavior of environmental regulatory agencies could prevent firms from seeking certification after implementation. For example, regulatory violations by an ISO applicant firm might be revealed or disclosed during its environmental certification process, and if such violations are used by regulatory agencies or other third parties against the applicant firm, then such legal proceedings would result in additional cost of certification to the applicant firm.

INDIAN SCENARIO

Over many years the pursuit of economic growth by successive Indian governments has ISO 14000 International organization for standardization (ISO) was formed in 1947 for promoting worldwide standardization to facilitate international commerce. ISO published standards for voluntary acceptance but are generally incorporated into national standards. There are more than hundreds countries members to it and each member country is represented by one standard organization. ISO 14000 is an International Standard (1996) applicable on international scale and help to improve EMS of an organization or system. The transformation of these management practices is not limited to industrialized countries. Many environmental laws have been enacted since 1964 along with the creation of regulatory agencies to implement these laws. However, the command and control (C & C) approach which represents the traditional form of governance largely adopted in India has failed to reduce industrial pollution. With a spate of industrial accidents in recent years, investor scrutiny is getting increasingly focused on environmental risk liability. Customers are also showing higher levels of loyalty to companies which are environmentally conscious. ISO 14000 Standards are of two Types Normative Standards: Indicate requirement that has to be met and which can be audited for certification. Informative Standards: Indicate requirements and guidance which need not be audited for certification.

Adopting an EMS can Help an Organization to Manage and improve its environmental performance (managing negative impacts)

- Help to increase resource efficiency (e.g. cutting waste and energy use) Comply with environmental laws and regulations

- Generate financial savings through well-managed use of resources and efficient practices

- Improve its standing and reputation with staff, client companies, partner organizations

- And wider stakeholders Adapt to a changing environment (its operations or its products/ services).

DISCUSSION

Water, land and air contamination associated with growth are increasing exponentially. Rapid investment in the manufacturing sector that includes 17 highly polluting industries that are on the Central Pollution Control Board's "Red List", has fuelled this growth. The share of the most polluting sectors in India's exports has increased dramatically during the last decade suggesting that India could be emerging as a net exporter of pollution-intensive commodities. These trends indicate the need for greater investment in environmental management. In rural areas, poverty has become intertwined with resource degradation - poor soils, depleted aquifers and degraded forests. To subsist, the poor are compelled to mine and overuse these limited resources, creating a downward spiral of impoverishment and environmental degradation. There is growing pressure to better protect India's pockets of mega-biodiversity which are increasingly recognized as being of immense significance for global biodiversity, yet are increasingly threatened. Greater investment in the protection of these natural assets would yield a double dividend of poverty alleviation and the improved sustainability of growth. Coastal Zone Management: India's coastal zone is endowed with fragile ecosystems including mangroves, coral reefs, estuaries, lagoons, and unique marine and terrestrial wildlife, which contribute in a significant manner to the national economy. Economic activities such as rapid urban-industrialization, maritime transport, marine fishing, tourism, coastal and sea bed mining, offshore oil and natural gas production, aquaculture, and the recent setting up of special economic zones have led to a significant exploitation of these resources. In addition to the contribution of increased economic activity, coastal development and livelihoods are under stress due to a higher incidence of severe weather events, which have the potential to inflict irreversible damage to lives and property, for communities that are traditionally poor and vulnerable to economic shocks. The pace of infrastructure investments, which could reach $500 billion in the 12th Five Year Plan, calls for integrated and coordinated decision-making systems. This is made especially challenging by fragmented policies and multiple institutional legal and economic planning frameworks, with often conflicting objectives and approaches. The health impacts from pollution are comparable to those caused by malnutrition and have a significant impact on the productivity, health and the quality of life. Environmental health challenges are largely caused by poverty-related risks associated with poor access to basic services, such as safe drinking water and sanitation, and poor indoor air quality. The contamination of surface waters and the spread of pathogens are promoted by the alteration of catchments and watersheds that have accompanied rapid urbanization and intensive farming. Despite significant improvements in rural water supply and sanitation over the past few decades, water-related diseases still account for a large number of avoidable child deaths every year. India is highly vulnerable to climate change due to a combination of

1. High levels of poverty,

2. Population density,

3. High reliance on natural resources, and

4. An environment already under stress (for instance water resources).

By mid-century, the mean annual temperature in India is projected to increase 1.1º to 2.3 º C under the moderate climate change scenario of the Intergovernmental Panel on Climate Change (A1B), with anticipated deterioration of agro-climatic conditions. In the higher portion of that range, the loss to Indian GDP would be greater than the world average, and could be close to 5 %. Simultaneously, there is likely to be greater variability in rainfall, leading to higher risk of increased frequency and severity of droughts, floods and cyclones. India is ranked as the sixth largest emitter of greenhouse gas emissions in the world. However, by most measures, India would be classified as a low carbon economy. It has 1. A low intensity of emissions per unit of GDP (on par with the world average); Per capita emissions that are among the lowest in the world (at about 10 percent of the developed country average). However, India's emissions are set to grow substantially due to its sustained economic growth.

CONCLUSION

Environmental reporting by Indian corporations lags significantly behind that found in the developed world except for a few companies. Environmental reporting in India is still in its infancy. The reason for inadequate environmental disclosure is probably that less pressure is applied to Indian companies by stakeholders, environmental groups, the general public and importantly the government. To motivate the companies for meaningful environmental reporting, rewards for good quality of environmental reporting should be instituted, similar to the rewards for good environmental performance. Environmental legislation, perhaps, is adequate.

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