

# Perspective

## For an eco-friendly industry

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The state of the planet is grim. Carbon emissions are at their highest levels in human history – the last time the concentration of this greenhouse gas was so high, the Arctic was ice-free. This is the direct outcome of unregulated human action. In that context, World Environment Day is a great opportunity for all stakeholders to take stock of where we stand and where we must go from here.

The three key stakeholders to saving the environment are civil society, government and industry – each with its own unique role to play. But the ultimate responsibility of devising these solutions rests with industry.

► *Renewables, biofuels, green buildings and water-related products are frontier areas.*

### TECHNOLOGICAL POSSIBILITIES

Studies show that Asia has nearly 100 million two and three wheelers vehicles which still use 2-cycle gasoline engines. Clearly, this is a challenge. Conversely, it is also a great opportunity for industry to introduce conversion kits to LPG or CNG, perhaps even low-cost quadricycles. Similarly, leading companies with innovative water management programmes are showcasing how by introducing new irrigation techniques they not only helped reduce the strain on the environment but also incrementally increased their profits.

The three stakeholders need to consider the growth requirements of our country vis-à-vis the challenge of sustainability.

### LEGAL ISSUES

The Indian economy has benefited from substantial deregulation in the last 22 years – considerably reducing poverty and improving lifestyles. However, environmental challenges, too, have increased manifold. Many antiquated laws have only been incrementally improved to suit the new governance order.

We must find innovative approaches to environmental governance in India. This would require moving beyond the conventional 'do no harm' approach to a more proactive 'do good' approach. Unfortunately, the country's current environmental regulations come under criminal laws that imply a 'prohibit and punish' regime instead. Under criminal law, companies are either subject to compliance or non-compliance but extent of compliance is not considered; consequently, there is lack of any incentive for businesses to go beyond compliance.

Industry, civil society and government should work together to evolve solutions to environmental challenges in a concerted and coordinated manner. A joint task force should examine current laws and identify outdated regulations with a view to bringing them in line with current industry models. Industry can extend this initiative to State governments as well. For example, India does not have a single location for waste segregation and urban waste is fast becoming a problem as the number of million-plus cities grows rapidly.

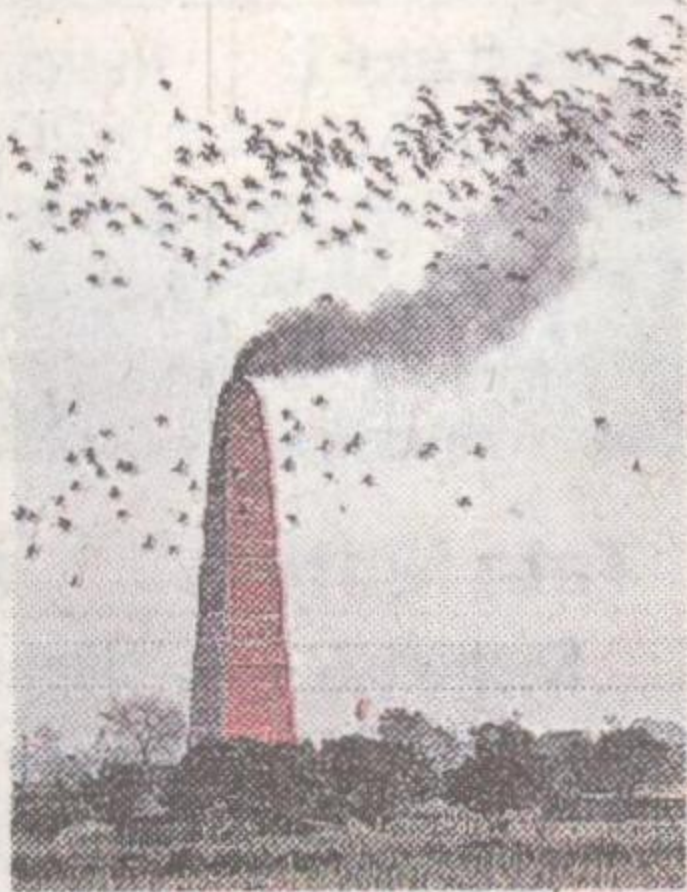
Performance assessment or evaluation for determining environmental impact and identifying solutions is a must for enterprises. Not only does this help align the firm to environmental regulations, it also offers a chance for reducing costs by minimising waste and introducing more efficiency into processes.

### RENEWABLE ENERGY

A CII-Boston Consulting Group study on Indian manufacturing identified green products as the next big area of potential opportunity for the sector. It estimated that a quarter of cars sold in 2020 could be electric vehicles. The solar energy market is expected to grow 9 per cent annually till 2017, while other renewable energy markets are also growing. There are huge opportunities in green buildings, water related products and biofuels, composites and advanced materials, nanotechnology, artificial intelligence, or fuel cells.

Indian companies can establish the current 'green baseline', identify and assess risks to business. The government is already working on developing Green Public Procurement Guidelines which can offer new opportunities, once in place.

(The author is Director General, CII.)



**Arrest** this degradation.