

The lack of regulation of green products in Mexico and their consequences. An unmet need.

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Abstract: Sustainable Development is a term that was used by Bro Brundtland in Stockholm (1987), and this was the first attempt to reconcile the economy and the environment. Sustainable Development was defined as “meets human needs without compromising future needs”. Environment deterioration was an aspect which emerged because of this new economic model called neoliberalism (40’s), where people were looking for increase the profitable margins and not considering the possible negative impacts caused by overuse of natural resources. In order to find a possible solution to this environmental deterioration caused by the companies, green products emerged; they provided a solution to the environmental problem without sacrificing companies’ production. Besides these products was a kind of products that costumers were asking for, greener products, products which could satisfy aspects like “environmentally friendly” or “eco-friendly” by using low environmental impact materials, or by using cleaner energies. Green products situation seemed to go better than ever, and each year the tendency increased from costumers who really know the benefits of these products. Companies in Mexico and around the world took advantage of this market tendency and began to attribute green properties to the

products which did not possess; this has been known as “Greenwashing”.

Today Greenwashing is a problem we must face, not only by deceit of the companies, being that they take advantage from the ignorance of the people and from an unmet need.

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Introduction

There's no doubt that today we must face very important problems like social exclusion, poverty, education, etc., nevertheless the crisis of resources is a critical problem that needs to be solved. As Malthus said “the problem occurs when population growth rate is higher

than regeneration resources rate”, and by overusing of natural resources, will provoke that by the law of supply and demand prices of these resources increase, and problems like poverty and social exclusion occur.

Overuse of natural resources is a detrimental situation for people, considering that some resources take many years to regenerate, but apparently years ago people don't care about this problem, they buy more and more products and are another victim of a new problem “the consumerism”. Consumerism is a companies' strategy, companies are always looking for increase their profitable margins, and they get it by marketing strategies encouraging consumers to buy.

There's no doubt that economy has won, and neoliberalism became a new life style for everyone. Companies are always in pursuit of getting better profit margins, and nowadays new kind of people is more conscious about the environmental developed products that are called like “green products”, but what is a green product?. The EPA (Environmental Protection Agency) says that is difficult to say what makes a product green, but a product can be considered as “greener” if scientific evidence demonstrates that human health or environmental impacts have been significantly reduced in comparison with other products that serve the same purpose(Environment Protection Agency (2014). problem that affects us, problems like the climate change or global warming. These people are more involved respect environmental issues and they claim for better products more ecofriendly, because of these claims companies have Greener products. Retrieved from: <http://www.epa.gov/greenproducts/basic-info/index.html>.) There are many benefits by

using of green products as we can see the figure 1.

Is good when a product is developed to satisfy a need, because if exists a need, it must be covered, the problem occurs when companies develop a product only looking for increase their profitable margins and through this process companies cheat to their consumers. The process to attribute green characteristics to products which don't possess is known as “greenwashing”(Conrad J. & Horowitz Shel (2010). *Guerrilla Marketing Goes Green*. New Jersey: John Wiley & Sons.) and it is a global problem. Companies take advantage of this unmet need, and in case of



Mexico we can see severe and others are

Fig 1 Features that green products must meet in order for these products to be considered as such.

lax, or in some cases don't exist, in Mexico green products policies doesn't exist, so how we can regulate this situation, it is a big problem that need to be solved.

In order to solve this problem we can see in other countries like Germany, France or USA, they control green products by ecolabels.

Ecolabels are symbols given to those products which have lower environmental impact because they obey a number of ecological criteria (according to their Life Cycle Assessment and other characteristics based on very particular characteristics) (Ecolabels. CEGESTI (n.d.). Produced by CEGESTI and Netherlands : Costa Rica). Ecolabels seem to be a great option to solve this problem; it is easy to identify a green product just checking if the product has an ecolabel, and consumer don't have enough time to know if a product is a green product or not, and with this ecolabels we can identify if it is.

The main purpose of this researching is to define this problem, study it, and try to explain why green products have been well accepted for consumers and which could be the repercussions to the lack of policies to regulate this problem.

Green Products and Their Problems

Natural resources and environmental degradation are issues that increasingly gain in importance, because under the current neoliberal scheme has given priority to economic growth, and that this represented using resources irresponsibly, bringing with it environmental collateral effects which have been reflected in this current environmental degradation.

It is here, and in order to give solution to this problem where we have seen the development of new branches of politics as the environmental politics, where the government and the state are considered, as well as issues of environmental nature and proposes alternative solutions such as renewable energy, more environmental friendly production processes to the environment and also new products called green products.

Globally there has been a rise in the consumption of green products, and companies have taken advantage of this trend (Dangelico R. & Pulgari, 2010). But we can see now that there are a lot of products called "green", such as cars, materials, detergents, etc., And this makes us wonder, what is the definition of a green product? The Environmental Protection Agency (EPA) mentioned to us that it is difficult to answer what makes a product is green, however we mention that a product may be considered greener if scientific evidence shows that the impact on human health or environmental have been significantly reduced compared to other products that serve the same purpose.

Several terms can be related with green products, such as: ecological, political, corporate social responsibility, equality, sustainability and fair trade (McDonagh and Prothero, 1996). As we can see the green term can relate to a lot of aspects which can lead to creating a confusion of where the company should go towards becoming green (Dangelico and Pontrandolfo, 2010).

The problem with green products is that this kind products are no regulated, even in the LGEEPA (general law of ecological balance and environmental protection), but this is understandable because this is a new market and companies take advantage of this lack regulation for these products.

Supporting of Green Business in Mexico

In the presidency of Fox (2000-2006) protection of nature was considered in the National Development Plan, and the term sustainability was included. Supporting of green business in Mexico began in this presidency period, where in 2006 in the national SME's week were exhibited many

pavilions like diagnosis and business advisory, Development and Technological Innovation, Information Technology, Entrepreneurship and Incubators, with Ecological Vision Enterprises (SMEs Greens), Business Opportunities, etc. (Economy Secretariat (2014).

Following the steps of the previous president, in the presidency of Calderon (2006-2012) included the term sustainability in the National Development Plan, mentioning "is essential to the productive sectors and the population to adopt patterns of production and consumption that exploit natural resources responsibly." (Government Secretariat (2014). National Plan of Development. Retrieved from: <http://pnd.calderon.presidencia.gob.mx/index.php?page=sustentabilidad-ambiental>). In 2010 emerged a forum "green solutions", and its opening was attended of Nobel prizes like Mario Molina, in this forum explore opportunities of a sustainable growing by supporting to green business.

Today in the presidency of Peña Nieto there's no programs related with "sustainability" in the National Development Plan as we could see in previous presidency periods, but there are sections like prosperous Mexico and inclusive Mexico, where we can identified the term environment is implicitly included, and in the business sector the word "green" is more than ever present in our lives. According to "green pages organization" there are nowadays more than 5000 companies in Mexico.¹(Las páginas verdes (2014).Listado de empresas.Retrievedfrom:<http://laspaginasverdes.com/empresa/>).

Study Area and Methodology

Due to the type of research, this study is based on green business opportunities nationwide.

The methodology presented was done by following the next steps:

1. Research of agreements which promoted the creation of green business.
2. Research of norms which could regulate green business.
3. Behavior of green business in Mexico.
4. Conclusions.

Results and Discussion

As we can see, there has been an increase in green business in Mexico, there are some certifications related with wood, coffee and building industry, some of them are foreign certifications.

There has been some agreements as green forum solution where Mexican government supported green projects for more than 6.2 billion dollars in 2010, but there's not only that an indicative of an increasing of green business in Mexico, and we can see not only, recently in Mexico have been created many green organizations, being this an indicative of the green growing in this market. The problem in Mexico is because of companies' behavior about this trend, they are only looking for increase their profitable margins and they don't matter the possible negative collateral effects provoked by consuming of green products that are not.

Conclusion.

In Mexico there has been an increase in the creation of green businesses, as companies have realized that consumers want these products, which has led several companies to take advantage of this unsatisfied demand producing products that are not green, but selling them as if they were, and thus Mexico has become another victim of this new green fashion called "greenwashing". Even past

governments have supported the creation of green businesses, however there's a lack in the development of policies or policy instruments which can regulate the companies that do not meet what consumers claim, and that is a "green product". This has provoked that more and more companies venture into green

business, just looking to increase their profit margins. In other countries is ecolabels has taken as a possible solution for regulate these products, Mexico like others Latin-American countries has an opportunity to change before we provoke further damages to our environment.

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