

Science for Environment Policy

Economic downturn affects businesses' renewal of environmental certification schemes in Spain

The uncertain economic climate has severely affected companies' decisions on whether to renew Eco Management and Audit Scheme (EMAS) certification in Spain, a recent survey indicates. The study suggests that a company is less likely to renew if initial certification was mainly motivated by government subsidies and grants than if certification is believed to improve business performance.

Environmental management systems, such as EMAS and ISO 14001, are frameworks that organisations use to manage their environmental impacts. In recent years they have been commonly adopted by European companies across a number of industries as part of [sustainable business](#) practices.

EMAS came into force in 1995 and, by 2013, almost 4 200 European organisations were EMAS-certified. However, there has been a recent reduction in the rate of new organisations being certified and a trend of companies deciding not to renew their certificate. The EMAS standard saw a 20% drop in certified organisations from 2010 to 2013. Economic difficulties, which began with the financial crisis in 2007–08, may be a key factor behind this reduction. Certification may not be a priority for companies facing financial difficulties due to the costs of adopting and maintaining the standard.

This study was undertaken to shed light on the intention of organisations to renew EMAS certification in times of economic crisis. It focused on firms in Spain, which has a large number of EMAS-certified organisations and was particularly affected by the recent economic downturn.

The researchers conducted a survey into reasons for certification and renewal, which was completed by 361 organisations (out of 1 217 Spanish companies registered with the EMAS certificate).

Almost 12% of firms confirmed that they were not going to renew their certification, with a further 45% indicating that they had serious doubts as to whether to renew. The likelihood of renewing the certificate was higher if internal motivations, such as increased company performance or efficiency, were the main reason for obtaining the certification.

The survey results suggest that companies which accessed public grants and other subsidies to adopt EMAS were less likely to renew their certification. EMAS is encouraged by measures to simplify the certification process and fiscal incentives in certain European countries. However, budget cuts within governmental agencies in Spain have significantly reduced public incentives for environmental certification. Moreover, these incentives were essentially focused on the initial adoption of the standard, and not its maintenance.

The study results suggest that if the motivation for obtaining certification is mainly due to external financial support from government agencies, such as subsidies and grants, then companies are less likely to renew certificates, particularly in times of economic crisis and major budgets cuts. Public decision-makers should therefore be cautious on the impact of public incentives as they do not necessarily lead to sustained implementation of the EMAS certificate.

However, if there are strong internal reasons for adopting EMAS, which add real value to both the organisation as well as the environment, then organisations are much more likely to maintain the EMAS standard. It was also shown that the initial investments and annual costs made by organisations to obtain the EMAS are not related to the likelihood of not renewing the certificate.



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