

Understanding and of furniture industries facing eco-labeling in Central Java and Yogyakarta-Indonesia

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Abstrak

Forest destruction in Indonesia has become a very serious problem and global concern. Eco-labels aim to combat illegal logging, illegal trading, and forest conversion. Eco-labeling in the furniture industry is slower in Indonesia than in competing countries such as China and Vietnam, where China has reached more than 1000 Chain of Custody (CoC) certification industrial units and Vietnam 238 units, while Indonesia has achieved only 78 units. But eco-labeling is perceived as a pressure on the international trade of the furniture industry. This study examines how the furniture industry in Central Java and Yogyakarta understands eco-labeling and what efforts the industry is making. Eco-labeling has a positive impact on the industrial environment and sustainable forestry, and it increases credibility/corporate image, market share, and profit. But not all buyers demand eco-labeling, so some companies deal with eco-labeling either by applying for certification or by looking for buyers that do not require the eco-label. Buyers who do not require the eco-label result in companies having less motivation to seek CoC certification. Other views about eco-labeling in the industry are also counterproductive, producing further obstacles to eco-label certification. Eco-labeling is often understood as unfair competition from developed countries, implemented as a barrier to entry into trade, and as inconsistent with The General Agreement on Tariffs and Trade (GATT)/The World Trade Organization (WTO). Eco-labeling is often considered a new form of colonialism rather than an instrument of environmental management.