# **Three Ways Japanese Municipalities Can Advance Green Purchasing**

by Toshi Arimura, Nicole Darnall, Takuro Miyamoto and Miwa Nakai

## March 2019

Government purchases account for 19.8 percent of Japan's gross domestic product. These purchases include vehicles, construction materials, chemical products/services, electronics, and other goods.

Collectively, they have a significant impact on markets. They also impact the natural environment, which is why for nearly two decades Ministry of the Environment, Japan has been encouraging municipalities to adopt "green" purchasing policies (GPP).

Yet some reports suggest that local governments have struggled to implement green purchasing.

Waseda University's Research Institute for Environmental Economics and Management (RIEEM) and Arizona State University's Sustainable Purchasing Research Initiative (SPRI) have partnered to figure out why. They implemented a nationwide survey (SPRI also completed the survey in the U.S.) of finance, municipal engineering and environmental directors in 860 Japanese municipalities. Their findings show that only 53 percent



of directors in local governments report that their municipality has implemented a GPP. More than a third of these directors report that implementation has not been successful.<sup>1</sup> These results indicate that significant organizational challenges when implementing GPP.

In an effort to understand these issues further, in December 2018, RIEEM hosted a multistakeholder meeting focused on discussing the obstacles and solutions to advancing green purchasing in Japanese municipalities. Participants included representatives from governments, nonprofits, vendors, foundations, and academic researchers from the following organizations:

- Arizona State University
- Chuetsu Pulp & Paper Co., Ltd
- Fujitsu Limited
- Green Purchasing Network
- Japan Environment Association, Eco Mark Office
  Tsukuba City, Ibaraki Prefecture
- Japan Foundation Center for Global Partnership University of Shiga Prefecture
- Koshigaya City, Saitama Prefecture
- Ministry of the Environment, Japan



- Social Science Research Council, Tokyo Office
- Tohoku Gakuin University
- Tokyo City University
- Tokyo Metropolitan Government

- University of Tokyo
- Waseda University



Participants engaged in-depth discussions about the complexities of implementing green purchasing in local governments. RIEEM documented the discussions. Three general themes emerged about the *ways to advance green purchasing in Japanese municipalities*.

#### 1. Increase Organizational Commitment

Stakeholders identified that the most important way that local governments can advance green purchasing is to increase organizational commitment. Although GPP is strongly encouraged by Ministry of Environment, Japan, it is not mandatory. As a consequence, stakeholders indicated that local governments focus their priorities on other initiatives and GPP lacks organizational relevancy.

To improve organizational commitment, stakeholders indicated that mayors and other high-level local government officials should promote GPP more directly. By communicating the importance of GPP towards achieving the municipality's environmental goals, local government leaders can set the tone for departments and elevate the relevance of GPP across their organizations.

To further enhance organizational commitment, stakeholders recommended that Ministry of Environment, Japan should develop a GPP assessment tool. Recognizing that local governments manage what they measure, a GPP assessment tool would help local governments create a baseline of their GPP activities that could be used to measure progress. Stakeholders also suggested that local governments should report their GPP progress in public reports and other external communications to further increase organizational commitment to GPP.



#### 2. Enhance Knowledge and Information Access

A second way that local governments can advance green purchasing is to enhance their knowledge and information access. Simply put, municipalities will not implement GPP if they do not understand why it is important and how it is relevant to their organizational objectives. To address this concern, stakeholders suggested the need for greater training and education across municipalities.



Training programs should identify potential cost savings associated with green purchasing and how green purchasing can help local governments achieve their environmental goals. Additionally, stakeholders indicated the need to educate the broader community about green purchasing to build support for GPP. As part of these community efforts, local governments should focus on educating children so that the next generation of government leaders is aware of the link between purchasing, consumption, and environmental impact.

For local governments that already recognize the importance of GPP, stakeholders indicated the need for greater information access related to which products have fewer environmental impacts than others. They recommended that Ministry of Environment, Japan should take the lead in developing an online database and e-procurement system that helps local governments identify green products. In addition to reducing municipalities' costs associated implementing GPP, an online system would allow for information exchange among municipalities so that local governments can learn from each other about ways to enhance their GPP success. A system that tracks green purchases over time can also offer important information to vendors that encourages them to expand their offerings of green products.

### 3. Expand Organizational Capacity

The third way to advance green purchasing in local government is to increase organizational capacity. Stakeholders noted that smaller municipalities often do not have the time or resources to assign responsibility to staff/directors for monitoring green purchasing progress. For local governments that do, most department managers typically rotate their positions every three years. As such, critical GPP experience and skills can get lost in these transitions.

To address this concern, stakeholders suggested that municipalities should participate in professional networks that promote GPP. These networks can facilitate information exchange that helps create the business case for allocating resources towards GPP. Participation in professional networks can also enhance knowledge about GPP best practices and offer local governments advice on how they can more efficiently develop and monitor their green purchasing progress. Moreover, professional networks encourage municipalities to learn from one another in a way that does not rely exclusively on the knowledge of a specific municipal manager. In short, they can help municipalities build their GPP capacity.

Existing networks that can assist include <u>Green Purchasing Network</u>, which is a professional association with the goal of facilitating GPP across Japan. Similarly, <u>ICLEI Japan</u> (Local Governments for Sustainability) is promoting GPP. Stakeholders also noted that municipalities can expand their capacity by organizing regional workshops to facilitate shared learning.

Hundreds of Japanese municipalities are addressing their global environmental impacts by implementing GPP. However, stakeholders note that local governments can do more. RIEEM and SPRI are committed to assist by offering solutions that advance green purchasing in Japanese municipalities



\* \* \* \* \* \* \* \*

We thank our sponsors of multi-stakeholder meeting: Social Science Research Council, Japan Foundation Center for Global Partnership, Waseda University's Organization for University Research Initiatives, Next-generation Key Researcher Training Program, and Top Global University. The Social Science Research Council providing funding for the report, <u>Advancing Green Purchasing in</u> Japanese Municipalities.

<u>RIEEM</u> is a research institute under Waseda University's Organization for University Research Initiatives. It assesses organizations' voluntary actions to improve the environment. It also evaluates public policies for energy conservation, renewable energy and emission trading. RIEEM serves as a research hub in the Asia-Pacific Region for environmental economics and management, and policy studies.

<u>SPRI</u> is an ASU research initiative in the <u>Center for Organization Research and Design</u> whose mission is to create actionable advice for practitioners implementing GPP while advancing public administration research.



<u>Toshi Arimura</u> is the <u>RIEEM</u> Director and Professor of Environmental Economics at Waseda University in Tokyo, Japan. He is also an <u>Abe Fellow</u>.

<u>Nicole Darnall</u> is the Associate Dean and Professor of Management and Public Policy in Arizona State University's <u>School of Sustainability</u> in Tempe, Arizona. She is also <u>SPRI</u> team leader and an <u>Abe Fellow</u>.

<u>Takuro Miyamoto</u> is an Associate Professor of Economics at Tohoku Gakuin University in Sendai, Japan and <u>RIEEM</u> scholar.

Miwa Nakai is an Assistant Professor at <u>RIEEM</u>.

<sup>1</sup> Source: Darnall, N., T.Arimura, T. Miyamoto, J.M. Stritch, S. Bretschneider, and L. Hsueh. 2018. *Advancing Green Purchasing in Japanese Municipalities*. Arizona State University, Center for Organization Research and Design, Sustainable Purchasing Research Initiative and Waseda University, Research Institute for Environmental Economics and Management.