

Greening street-level procurement practice in highly decentralised systems: the case of Sweden

Abstract

This article investigates the every-day street-level practice of green public procurement (GPP) in Sweden, a country with one of the most decentralised systems of public administration within the European Union (EU). The street-level procurement officers in Swedish local and regional government are in charge of purchases estimated to represent between 10 and 15 per cent of Sweden's GDP. This article examines the constraining and enabling factors behind the individual procurement officer's choice of green procurement in textiles and clothing through a combination of qualitative interviews and a review of documentary sources. The analysis shows that while indirect support through European and national soft regulation and policy advice is imperative for 'greening' procurement, the direct factors which influence the local outcome of GPP comprises factors on the local level: political commitment and environmental knowledge; the organisational structure of local government; and the local interpretation of the regulatory framework. This study shows that a decentralised structure has possibilities of furthering ambitions of buying green if there are committed politicians and public officials, an optimal level of internal centralisation and an external support structure of knowledge and enabling rules.

Keywords: green public procurement; Sweden; decentralisation; compliance; commitment; capability

1. Introduction

What affects local and regional green public procurement (GPP)? Although there is no shortage of national regulatory ambitions for environmental regulation in general, these ambitions can only be implemented and achieved in local regulatory practices, and often at the individual procurement officer's discretion. Evidence about the local variations of procurement practices is at present notably scarce. Moreover, the overall trend is that government environmental policy is moving from a statutory and control approach towards more flexible self-regulatory practices (Gunningham 2009; Boström and Karlsson 2013). National and European ambitions of increasing GPP are well-known, but much less is known about the actual GPP practice, especially since no reliable statistics exist regarding the actual amount of GPP. In this context, we need to learn more about local procurement practice.

Compared to private consumers (individuals or enterprises), public sector organisations play a different role as consumers (Walker and Brammer 2009). Public sector organisations rely on tax revenues, are subject to public scrutiny and reviews, and are officially transparent and accountable. Moreover, while private consumers mainly are concerned with the price/value equation, public sector consumers need to take into account a broader catalogue of responsibilities (social, environmental, etc.) and most important, they must in most jurisdictions comply with anti-discriminatory principles in terms of national and transnational (e.g. EU and WTO) procurement regulation (Zhu et al. 2013).

This article departs from the notion of the 'street-level procurement officer', a paraphrase of Lipsky's seminal work on street-level bureaucrats (Lipsky 1980). Based on an empirical study of public service producing actors, Lipsky concluded that the implementation of policy to a large extent relied on local 'street-level bureaucrats' who perform their work according to their own view of the intrinsic practical problems, and who are given the discretion of coping with them. This group of bureaucrats becomes in effect the creators of the local regulatory practice, as they have to make sense of the often contradictory rules and apply them. These rules are furthermore confronted with varying local circumstances in the form of professional norms, human resources, organisational structures and fiscal constraints.

The importance of individual motivation as a driver for GPP is also highlighted in recent studies (Meehan and Bryde 2011; Zhu et al. 2013). Most procurement officers are educated in law, but when dealing with GPP they have to engage, in some way or another, with

environmental expertise. Olsson & Hysing (2012) refer to engaged civil servants within the environmental sector as ‘inside activists’. The term refers to individual officials working on issues which both engage these individuals ‘outside’ the organisation (such as an NGO engagement) and which engaged them already before they started to work in the public organisation. Indeed these issues may be the very reason certain individuals choose a particular occupation.

The role of public procurement in the Swedish decentralised system resembles Lipsky’s model of how regulatory practice within the public sector is produced in terms of the discretion of the bureaucrat. Although the formal authority resides with directly elected politicians in Swedish counties and municipalities, the street-level procurement officers prepare the calls for tenders on the basis of their interpretation of regulations, evaluate formal tenders, negotiate with potential contractors, draft the final contracts, and assure compliance with signed contracts. Street-level procurement thus refers to the actual context where procurement decisions are made, and in the case of GPP, these decisions may or may not be influenced by the proliferation of ‘green’ ideas within the local civil service and local politics.

We will in this article present the street-level practice of procurement of textiles in Swedish local and regional governments. Our Swedish empirical example represents a critical case (Flyvbjerg 2006) since the policy for GPP is: a) considered to be a success story in terms of optimal outcomes in an international perspective (see below), b) is implemented in a constitutionally decentralised polity, devoid of strong central regulatory instruments, and c) characterised by a practice where decisions are taken by local procurement officers at their own discretion.

The overarching analytical question is: *what are the mechanisms behind GPP in decentralised organisations?*, and for prescriptive purposes: *how can we empower GPP in street-level procurement practices?*

Our analytical framework is based on previous studies’ (see below) identification of political salience, economic rewards and knowledge as pivotal factors having an impact on the compliance, commitment and capabilities of the individual public procurement officer while

undertaking GPP. The factors are double-edged swords for the individual officer and work both in an enabling and a constraining way.

Our findings are based on an empirical study under the research programme *Mistra Future Fashion*. Exact figures regarding the proportion of textiles compared to the total size of public procurement in Sweden are not available. But compared to other forms of procurement of physical goods, textiles probably amount to one of the largest after construction material and electrical equipment (Swedish Competition Agency 2012). Textiles are (a) purchased in large volumes, (b) have a large environmental impact, (c) are not subject to other regulation (d) have a considerable environmental improvement potential (Bauer et al. 2010).

The remainder of this article is organised as follows. In the second and third sections we briefly present the Swedish research context and the data used. In section four we present our analytical framework of enabling and constraining factors of GPP. Section five presents our empirical findings, and in section six we discuss these findings theoretically, including concluding thoughts and policy recommendations.

2. The Research Context

Public procurement in Sweden is estimated to represent 20 per cent of the total GDP (Swedish Competition Agency 2012). Half of these public procurement decisions are decided by subnational (local and regional) authorities (42 per cent by local governments; 8 per cent by regional counties). Public procurement is consequently one of the most important national vehicles for generating new markets. Thus, the market-transforming ability of public sector consumption is considerable.

The Swedish national policy on GPP is guided by the Government's GPP Communication (Government of Sweden 2006). The bottom-line of this report is that the level of GPP must increase throughout the public sector. However, regarding the selection of policy instruments, especially subnational authorities' choices; the Government Communication entails few instructions, leaving the local and regional implementing agents with the task of fulfilling the policy aim. It is also premature to ascertain the impact of the new and more 'green' 2014 EU directive for public procurement, on Swedish procurement regulation.

In addition to the existing national and European legislation, there exist specific European directives (such as REACH) which affect procurement processes, even though street-level procurers have problems understanding the requirements in such directives (Boström et al. 2012). For example, under REACH legislation the European Chemical Agency established a ‘candidate list’ of substances prioritised for possible use restrictions. Few are aware that if a product contains a substance on this list, REACH makes it a criminal offence for the supplier neglecting to respond to consumer enquiries whether the product contains the substance within 45 days (Swedish Chemicals Agency 2010). This new regulatory lever has the potential to empower procurers to force supply-chain awareness on suppliers and to catalyse substitution processes.

The main regulatory instrument for Swedish procurement officers remains the Public Procurement Act (2007:1091) (‘PPA’), which until very recently prioritised the economically most advantageous offer. However, a new conditional clause has been added specifying that State procuring authorities ‘ought to consider environmental and social impact ... when the nature of the procurement motivates it’ (2007:1091, 9 a §, amended 2010). Environmental requirements are thus not discriminatory according to the competition regulation as long as they are clearly defined in the call for tender.

Moreover, because several government functions in Sweden have been decentralised, GPP relies on the capabilities of local levels of government. Apart from the evolving praxis in Court rulings on tenders (as bidders who have not being awarded the contract regularly bring proceedings for a review at an administrative court), there exists no supreme authority holding the mandate to control the actual environmental-friendliness of purchases made by public contracting authorities.

GPP and public procurement in general is not a political issue high on the agenda. If one ignores a few pre-election voices on public procurement in 2014, GPP is bureaucratic politics and not a hot topic in political assemblies (which is the main reason why our street-level procurers are struggling to attract attention, see below). However, the Swedish Environmental Protection Agency’s (2009) survey of procurement practices indicated that 100 per cent of the regional counties and 87 per cent of the municipalities have ratified an organisational policy for including environmental considerations in decisions regarding public procurement. Furthermore, 95 per cent of the municipalities present clear aims for such considerations.

In terms of actual effects, the Swedish National Audit Office reports that due to the lack of monitoring bodies and evaluations we do not actually know what the effects of GPP are, let alone whether they are positive (National Audit Office 2011). Nevertheless, Sweden is often perceived as a policy spearhead within GPP on a global level (Ochoa, Führ & Günther 2003; Thomson & Jackson 2007; PWC 2009).

3. Methods and Data

Like similar empirical studies of street-level bureaucrats, this study has been informed by a bottom-up approach to the field designed to capture the Swedish street-level procurement officers' understanding of their work practice, and to study how they assign meaning to GPP. Such contextual analyses are highly recommended by Taylor et al (2012), who argue that official environmental policies are somewhat over-researched, while local practices are poorly covered.

The field of GPP is currently under-theorised. Analytically, this study combines enabling and constraining factors derived from other studies of GPP and our own empirical material. A review of academic literature, grey literature and relevant legal sources singles out political salience, (lack of) economic rewards and knowledge (including human resources) as crucial for the practice of the street-level procurement officers. Furthermore, our own material points to regulation as a crucial enabling/constraining factor. From this, we have constructed an analytical framework around *compliance* (both hard and soft regulation), *commitment* (the political and organisational disposition) and *capabilities* (resources in terms of money, knowledge and organisation). This framework enables analysis of both top-down influence and bottom-up dynamics which are presented further below.

The semi-structured interviews have been carried out with public procurement officers, environmental and financial policy advisors in charge of GPP in three local governments (Lund, Trelleborg and Malmö) and three regional counties (Stockholm, Skåne and Västerbotten). In addition we interviewed national experts in central Government, in the Swedish Association of Local Authorities and Regions (SALAR) as well as the Swedish Environment Management Council (SEMCo). All in all, 18 semi-structured interviews were undertaken in 2011/2012. All the interviews were electronically recorded, transcribed, coded and analysed in accordance with the analytical framework.

These primary data were accompanied by previous surveys with procurement officers commissioned by the Swedish Environmental Protection Agency (SEPA). The most recent one (2009) was distributed to 290 local governments, 21 regional county governments and 201 state agencies with a total response-rate of 82 per cent.

4. Analytical Framework

Defining GPP

GPP is most simply defined as public procurement that takes environmental aspects of goods and services into account (Parikka-Alhola 2008; Nissinen et al 2009). The European Commission goes further and says it is ‘a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured’ (EC 2008). To examine the extent to which environmental standards are influential, some researchers have used the presence in the tender documentation of a single requirement based on such standards as a practical indication that GPP is occurring (Kippo-Edlund et al 2005; Testa et al 2012). In this study, based on the interviews, we presuppose that GPP takes place, but it is impossible to obtain exact information regarding the actual scale of GPP.

The literature

When reviewing academic studies of GPP, three critical factors are mentioned with specific reference to decentralised settings: political salience, lack of capabilities, and resources.

First, with regard to political salience, environmental problems are often global, but not noticeable in local contexts. Local and regional decision-makers are likely more inclined to prioritise visible welfare issues such as primary schools and elderly care, and not for example harmful cotton production in distant Uzbekistan. In a UK study of local governments, the lack of political commitment is listed as one of the chief obstacles against undertaking GPP (Thomson and Jackson 2007, p. 433). Walker and Brammer’s (2009) survey of GPP actors in the United Kingdom demonstrated that the support of ‘top management’, clear government policy and development of sustainability goals for the procurement process were the three most important facilitators for GPP – all factors related to political commitment. In a

comparison of six cities in different countries, Clement et al. conclude that ‘The importance of political commitment in the form of specific policy documents at local or higher level relating to green procurement cannot be overstated in promoting and driving such activities, and ensuring the attention of municipal procurers’ (Clement et al. 2003, p.92). Organisational commitment is probably an important first step towards undertaking GPP, and in democratically governed organisations such as Swedish counties and local governments, these commitments have to emanate from politicians.

Second, regarding organisational capabilities, fiscal resources, human resources, resources for monitoring contracts and an appropriate organisation are all preconditions for GPP. There is strong evidence that GPP is generally *perceived* as being more expensive in a short-term perspective (Boström et al. 2012; Brammer and Walker 2011; Preuss 2009; Thomson and Jackson 2007; Zhu et al. 2013). Procurers have the incentives to minimise costs by choosing the lowest bidder, so buying green products is not an operational priority, which is why local and individual engagement are important (Clement et al. 2003).

However, there are some signs of a more holistic assessment of cost, better political support and organisational factors. For example, a recent Swedish government report on procurement recommended that procurers should receive training in life cycle costing and estimating actual operating costs, usurping the current emphasis on initial capital cost (SOU 2013:12). Life cycle costing is probably not used in practice anywhere (Dodd & Wolf 2012; Perera et al 2009), but just that it figures in research and policy discussions is a promising sign (see also PWC 2009; DEFRA 2010).

Fiscal constraints and organisational capabilities are linked. A study of Norwegian regional counties and local governments demonstrated that the larger (and more resourceful) the organisation was, the higher the probability was that it implemented GPP, although problems with smaller organisations could be balanced by cooperative purchases (Michelsen and de Boer 2009; Walker et al 2013). Against this observation one can argue that a certain level of decentralisation facilitates communication between different departments, as well as adaptations to local circumstances (Clement et al. 2003). It seems reasonable, however, that a public organisation responsible for procurement must be centralised to a certain degree.

Third, with regard to knowledge, public procurers at local and regional levels usually suffer from knowledge gaps regarding complex environmental issues (Zhu et al. 2013). In addition to the multiple life cycle phases of a product, environmental product assessments typically require the integration of several different indicators in a multi-criteria framework (Rowley et al. 2012), such as for example greenhouse emissions, water use and embodied chemicals. A recent Italian econometric study (Testa et al. 2012) shows that availability of environmental expertise has a significant impact upon GPP practices. In Sweden, the most detailed support facilitating GPP in the face of this barrier are the procurement criteria (voluntary recommendations for GPP) developed by the SEMCo.

Assessing the actual performance of environmental policy instruments is even more generally challenging as evidence of their actual effects often is ‘entirely absent’ (Taylor et al. 2012, p. 283). Since data is unavailable for verifying whether a benefit has been obtained, it is impossible to implement the Deming cycle embodied in environmental management systems (ISO14001, 2004). Decision-makers cannot identify the influence of GPP, let alone make any judgements whether the environment would have been better served by other policy measures. Moreover, very few resources have been allocated to evaluate contracts on local and regional levels (Boström et al. 2012).

Our framework

In relation to Lipsky’s street-level bureaucrat framework, it is clear that the knowledge gap is greater than in the areas of health care and social work which Lipsky studied. Bureaucratic discretion under conditions of limited knowledge probably has the effect of adhering to available regulation or to other forms of regulatory practices (such as certifications and standards). To our knowledge, the impact of GPP regulation upon local practices has not been studied, though Zhu et al (2013) claim that (Chinese) procurement officers educated in law seem to be more hesitant in implementing ambitious environmental goals through procurements. *Compliance*, in a broad sense, is thus a first category through which we analytically sort our empirical material. Since most procurement officers are educated within law, this is a natural vantage point in interpreting their actions. However, the ‘broad sense’ also implies that we include more ‘guiding principles’ (e.g. standards, guidelines, best practice) since such norms contribute to obtain legitimacy among local governments and

counties. We presume that there is a ‘will to comply’ with enforceable regulation in order to increase credibility, legitimacy and predictability.

The literature review provides us with the second and third analytical factors: *commitment* (which relates to political salience) and *capability* (relating to economy, knowledge as well as organisation). Commitment is probably an essential factor not only for local and regional politicians, but also within the ranks of the administration, as mentioned in the introduction (‘inside activists’). The local mix of fiscal capabilities, knowledge in the form of human resources and organisational set-up which will have an effect upon the ability to increase GPP is probably very hard to pinpoint and generalize. According to our literature review:

- All public organisations probably find themselves under fiscal pressure. For GPP to occur the priority of different goals must be set at some level
- No local or regional government can develop perfect knowledge, but backed by other authorities and with a developed collaboration between crucial competencies, it is possible to increase GPP
- Decentralisation to the point of individualism is risky. A degree of centralisation of the procurement function, for instance making possible the collaboration suggested in the second point, is probably to be preferred.

5. Analysis: the street-level procurement officer

Compliance

Among our 18 interviewees, eight worked as procurement officers, and among these eight, six procurement officers mention compliance with regulations as the most important factor behind procurement. Among those not directly engaged in procurement, only one person, a government expert, suggested regulation is a prime motivator (in particular EU regulation). In the table below, the respondents are classified based on their feedback concerning what they saw as the primary motivating factor behind considerations of buying green. This is a qualitative judgement (for instance, all respondents emphasized political ambitions behind GPP to some degree), but it still provides an interesting indication that there are different mind-sets among different groups and levels of civil servants. Procurement officers tend to emphasize judicial factors; environmental policy officers focus on collaboration and

capabilities; financial advisors at local level feel fiscally constrained, while national senior policy advisors maintain a broader strategic outlook on the political development:

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To procurement officers, compliance relates to both hard and soft regulation. One municipal procurer states the fear of court cases under the Swedish PPA as a constraining factor. There is no consensus around the meaning of the new conditional clause ('GPP if possible') in the PPA. Two distinct court decisions regarding inclusion of animal protection in tender conditions came to very different conclusions (Sundsvall and Stockholm Administrative Courts of Appeal case 2091-11; 2841-11). Ultimately, it is the individual procurement officer who makes the procurement decisions in all our researched organisations. Unless politicians firmly stand behind 'their' procurer, the lack of judicial unity will probably foster a more conservative approach among procurers, at least the ones educated in law. A Chinese study also shows that officers with a sound knowledge of the law are more reluctant in undertaking GPP (Zhu et al. 2013).

An extensive regulatory framework for GPP is a factor which would help fill the current environmental regulatory void. One local procurer points to the absence of enforcing regulation as a problem:

Environmental concern in procurements is up to every municipality. There are national guidelines and recommendations, but no legislation whatsoever (Procurement officer, City of Lund).

Our respondent from the Ministry of Environment infers that the national government cannot coerce regional counties and local governments to undertake GPPs as it would violate their constitutionally enshrined independence. Thus, many central government activities vis-à-vis sub-national authorities are based on communicative instruments (such as e.g. training sessions and conferences). On the other hand, the importance of 'following the rules' also demonstrates its potential for driving GPP; it may be argued that procurers 'want to comply'.

According to the interviewed officials at the Swedish Environmental Management Council (SEMCo) and the Association of Local Authorities and Regions (SALAR), there is no justification for a conservative attitude in this respect as public organisations can make

whatever demands they wish provided they are transparent in the call for tender and potential providers are treated equally through the tendering process. Consistent with this fact, SEPA (2010) draws the conclusion that a lack of knowledge resources leads to the fear of legal reviews.

The European Union has in recent years demonstrated rather ambitious policy aims regarding GPP (European Union 2011). However, in terms of the actual implementation there are no requirements of legal transposition (i.e. directives), and the member states can independently choose their own level of ambition. No procurers in our study referred directly to the GPP policy of the EU. Nevertheless, according to a Government policy analyst in GPP (from the Swedish Ministry of Environment), the EU's GPP work has been pivotal for Sweden's ambitions in the field, specifically regarding the changes in the Swedish PPA and the national support structure developed by the SEMCo. It may even be argued that the environmental criteria from SEMCo are substitutes for the vague regulation:

Their criteria are good though they do not include any demands upon the production process itself, for instance cotton. SEMCo is a good tool, but also volatile in our changing times. Many signals have come from the EU that we ought to make demands, that it must be made easier. And that we should not end up in court when we raise the demands; it is an abuse, the appeals against procurement processes. The EU should be more present, and step up for using procurement as an instrument for sustainable development (Fair trade coordinator, City of Lund).

Public opinion can be influential in galvanising the actions of politicians relevant to GPP. Although media coverage is limited, there is awareness among private suppliers that media attention can drastically change the market (Boström et al. 2012). Consequently, public opinion is a factor which may influence individual and corporate behaviour, and have an impact on regulation. However, our respondents did not mention pressure from public opinion or mass media at all. External pressure towards compliance, other than from regulation, arises from the behaviour of comparable organisations, in particular other subnational authorities. The official from SEMCo stated that few people want to be first in line, but rather wait and study what others do, and then consider mimicking the initiative. The environmental coordinator of Västerbotten County chooses to emphasize GPP as a process of imitation, based upon the logic of benchmarking, and the subsequent fear of 'naming and shaming':

You want to partake; you meet in networks where you compare yourself [...]. The counties influence each other a great deal. Good examples are spread. And nobody wants to be at the bottom. It is the same among the politicians concerning environmental issues [...]. They compare and want to be the clever ones (Environmental coordinator, County of Västerbotten).

One form of normative mainstreaming is to develop joint standards. A good example of a joint purchaser standard is the Swedish regional counties' 'Code of Conduct', predominantly addressing social responsibilities. The provider has to sign a guarantee that they intend to respect some baseline requirements such as international human rights conventions, the UN Child Convention and the ILO's core conventions. In addition to creating unity and common values among regional politicians (and presenting the impression of good-will to the public), thus also potentially reduces the expenses of investment in gathering evidence. For example, in order to develop the Code of Conduct and make recommendations for textile purchasing, these counties jointly invested in the production of a life cycle assessment of alternatives in hospital garments (Roos and Posner 2011) providing unanticipated insights into how little some dyes and bleaching chemicals affect the overall sustainability of textile products. This kind of information can then be used to develop and update textile product-specific requirements (Stockholm County 2009).

Commitment

The 2009 SEPA survey indicated that all regional counties and 87 per cent of the municipalities have signed off an environmentally friendly procurement policy. Furthermore, 95 per cent of the municipalities have added milestones to their policies (which is far beyond the level of central Government agencies, where only 44 per cent have similar concrete policies).

Our study confirms the crucial position of politicians, though it is important to remember to distinguish between words and deeds.

Undertaking GPP on the municipal level is easy. What's needed is local support from politicians. If the procurers know that the politicians support them, they do not hesitate in making procurement greener. The market is not the problem. There is a drive for niche markets among the contracts, as

well as a desire to weed out the cheaters (Senior policy adviser at SALAR – the Swedish Association of Local Authorities and Regions).

However, the procurers generally expressed the idea that while official policies and goals are important as a first step, there is no guarantee that such policies are fulfilled in practice; either because they are conceived as examples of paying lip service to higher causes, or because other conflicting policies and goals are considered to be more important. Unsurprisingly, the variety among subnational authorities is considerable as a result of different ‘political cultures’. According to a procurement officer in the City of Lund, demands for GPP depend on a handful engaged politicians.

Lund is like that with one or two influential politicians who work intensely with environmental issues and pursue this in the Council [...] I think this applies to all municipalities in Sweden. Progress in environmental work is about politicians arduously and persistently driving the issues.

There is a slight tendency, however, among our interviewed environmental policy advisors (rather than the procurers) to emphasize the role of engaged civil servants: ‘I almost dare to say that the ambition comes from me’ (fair trade-coordinator in Lund about GPP). The environmental expert in Stockholm County thinks that GPP is ultimately dependent upon the engagement of civil servants (despite sympathetic regional politicians):

The politicians play a role, but in reality, I would say that all environmental work within the public sector is driven by civil servants. It is a personal engagement: we do it even though it is voluntary.

But her real criticism regarding lack of commitment is directed against the national politicians:

What we genuinely need is a national policy ambition. Procurement lacks a portfolio [...] and this voluntary approach is useless. It would be much more comprehensible for the providers if we operated on the basis of clear national policies. Not because you necessarily supported them, but because the same rules would apply for everybody (Environmental expert, Stockholm County).

The policy adviser from SALAR mentions the interest from industry to eliminate cheaters, but also that they want to get some credits for their work:

Well, if they work to fulfil our demands, of course they want to show it, just as they want evaluations so that they can prove that the wrong bidder won when they were not awarded the contract. They really want us to do follow-ups. And they want to get paid for their developmental work – it will cost a little bit more but they also want cred for it (Environmental expert, Stockholm County).

However, there are also barriers for commitment when politically governed organisations encounter the market place. The perhaps most important being that there often simply are no products matching the public sector demands: ‘there is a huge distance between political ideals and what the market has got to offer’ (procurement officer, Lund). Hospital textiles, for instance, are specific items for which few providers have developed green alternatives:

If I’m too strict in the call I may not receive any bids. So I have to do some market research first and explore what the suppliers really have got to offer (Procurement officer, County of Skåne).

Another limitation is the formalised relationship, and short durations of contracts, stipulated by the PPA in order to create a fair market, but with the cost of precluding informal mutual commitment:

The PPA effectively blocks durable business relations, where confidence and trust develop, where investments are paid for, and where joint product development is distributed among the partners (Procurement manager, City of Trelleborg).

Thus, the requirement of equal treatment of potential suppliers under the law leads to an overly formalised relation with suppliers which runs the risk of eroding trustful relationships with suppliers, and which possibly damages the potential for undertaking GPPs.

Capability

According to the 2009 SEPA survey, the significance of fiscal resources as a facilitating factor for undertaking GPP should not be overstated. The survey asked ‘What would make your organisation increase its level of GPP?’ ‘Reduced costs’ ended up as number three (7%), behind factors such as ‘more knowledge’ (24%) and ‘explicit decisions from politics and

management' (15%). Knowledge thus ends up as the most constraining factor which may be enhanced by the decentralised nature of environmental policy in the Swedish public sector (National Audit Office 2006). Because of a lack of knowledge, the responsible civil servants within this complex area usually have to resort to the environmental criteria developed by SEMCo (SEMCo 2012). Furthermore, suppliers tend to have limited knowledge about, for example their supply chains (Boström et al. 2012), and are sometimes uncooperative (SEMCo 2012). SEPA's study (2009) demonstrates that only eleven per cent of public authorities 'always or regularly' conduct environmental follow-ups of procurements. 54 per cent rarely, or never, have sufficient time to make any environmental reviews. When reviews are undertaken, it is predominantly through one-on-one meetings with the provider rather than through independent investigations.

Monetary and human resources

Additional fiscal resources may facilitate GPP given the widespread sentiment among street-level procurers that it is an expensive choice, a sentiment felt particularly in smaller municipal departments. A procurer in the City of Lund, a strongly decentralised organisation, says:

Even though there are providers whose products fulfil the political ideals, it is not likely that your department can afford to use them as suppliers. Environmentally labelled clothing, for instance, costs 25-30 per cent more than traditional clothing which is a difference in price not allocated in the budget (Procurement officer, City of Lund).

The procurement manager in Trelleborg equally states 'I have never heard that a responsible manager received any financial compensation for the higher costs associated with purchasing green products.' The procurers in the two smallest procurement units in our study, a Malmö City administrative district and a school administration in Lund, both testify that no environmental considerations are made in their procurements, and that their method simply is to identify the cheapest bid. However, the real financial challenge for counties and local governments may actually be in controlling and monitoring contracts: 'I think purchasers can accept higher costs for buying green, but not the costs for follow-up and control' (procurement manager in Trelleborg). Interviews verify the picture of the SEPA survey that evaluations of the fulfilment of the contracted obligations are the most neglected part of procurements:

I think you will receive the same answer from all public procurers in Sweden. Whether it is environmental demands, or social, or ethical considerations – monitoring contracts is the vulnerable spot of our operations. We don't have the time, because of the very strain in closing contracts (Procurement officer, City of Malmö).

To counteract the lack of resources and knowledge in the organisations, certification schemes, standards and policies are developed (Boström et al. 2012). Such measures may deliver certainty, but it may also lead to both red tape and to formal declarations. The environmental expert in Stockholm County in our study emphasises that demands on standards such as ISO14001 can never replace actual knowledge of the potential environmental damage. Furthermore, the officer argues that generating such knowledge does not necessarily have to be more expensive than resorting to standards. Since there are constant rapid changes within this field, standards have proved to be rather blunt instruments.

As confirmed by both our interviews, as well as the SEPA survey, SEMCo's green procurement criteria are the dominant support structure for undertaking GPPs. 89 per cent of regional counties and 75 per cent of local governments apply SEMCo's criteria (SEPA 2009). Since applying SEMCo's criteria is a voluntary act, these figures are not only high; they also strongly deviate from State agencies (only 27 per cent apply SEMCo's criteria). SEMCo is thus by far the most important factor which alleviates the scarce resources. All the interviewees claim that the criteria are crucial; some even state that they exclusively use these criteria. SEMCo issues three types of criteria for GPP: basic, advanced and spearhead. The process for formulating criteria is a prime example of modern 'governance': interested purchasers and providers form an expert group under the auspices of SEMCo and jointly develop a new criterion. Advantages of this approach include the use of knowledge expertise within companies and the chance to actively affect the development of the criteria:

We gather procurers and suppliers and discuss if the time is right to issue criteria within a new area. An expert group is formed ... and we describe its purpose and our mission. At the first meeting we bring a draft proposal for initial discussions. When we have formulated the demands we want, we can flesh out the details. When we have agreed, we send it for legal and environmental expert reviews, and finally release it for public consultation. Inputs are compiled and reviewed by the group, and after this we ask an external audit group to who review whether

the process has been correct and correct, and whether the criteria are relevant, anchored and related to environmental progress. Then they are approved by our manager and published. It normally takes a year (Official administrator, SEMCo).

Possible drawbacks to this support-structure are the voluntary status, and the potential risk that SEMCo's criteria become pretence for not developing any local policies. The environmental coordinator in Västerbotten County states that their policy for chemicals is identical to the SEMCo equivalent. Depending on how the certification is managed, such processes can easily end up merely eliminating the most environmentally unfriendly products through the use of categorical objections, rather than encouraging green innovation by placing environmental performance on a continuous scale.

Organizational structure

We are maybe five really good public organisations; Stockholm County is one of them - we have a system and routines. The commitment emanates from the environmental side [...] Furthermore, we are big. If we put in the tender that we wish to exclude a specific constituent and suppliers therefore miss the contract, their losses are massive. It's obvious that we have far greater opportunities to influence [GPP] than small municipalities (Environmental expert, Stockholm County).

The same respondent refers to her previous work-experience in the City of Stockholm (also one of the largest public sector organisations in Sweden), where far-reaching decentralisation and the ideology of the politicians acted against GPP, once again signalling the importance of different political cultures:

In the City of Stockholm, the politicians were much more focussed on consumer choice regardless of their political colour. There is a central Council, but there are also a large number of city districts that want to take their own decisions (ibid).

When Stockholm county and other levels of government jointly outsourced procurement to SALAR's procurement company, which lacked environmental expertise, the environmental demands of the county were ignored (see also Lidberg 2011). This firm works on an aggregated level which thus also has its risks:

We work with large volumes and a high level of standardisation. We are accountable for general needs among all municipalities and/or counties, stationery for instance. /.../ Our share is about five per cent of all the procurements within local and regional government (Procurer, SALAR's procurement company).

There is some co-operation between environmental officers and centrally placed procurement officers in the City of Lund, but due to a historically decentralised structure of the City Council, there is no centralised procurement unit. In contrast, the City of Malmö displays a close collaboration between the central procurement unit and a central environmental policy advisor, an 'environmental coordinator' employed by the procurement unit. Close cooperation between procurers and environmental policy analysts has been mentioned as a key factor for developing GPP in public organisations (Clement et al 2003).

Equally, in the County of Västerbotten, the environmental policy unit is only contacted when procurers decide that environmental expertise is needed, and plays a passive role.

We are just two staff members covering the whole county, and can't survey all tenders. The procurement unit [only] contacts us when they want our support (Environmental coordinator, County of Västerbotten).

In the County of Skåne, the organisational challenge is also to build sustainable connections between the central environmental unit and the main hospitals. The environmental coordinator in the organisation is only employed part-time. External consultants generally manage tendering processes when environmental aspects are judged to be involved, which means an added fiscal consideration every time the organisation hires an external consultant.

We use external consultants, but in my view, this is not a sustainable solution. You need someone inside the building. Of course you can employ external consultants when your own knowledge is insufficient. But we need someone to be present within the organisation, and be responsible for training. It is also expensive to ask consultants, which easily leads to that you hesitate (Environmental coordinator, County of Skåne).

‘Procuring procurement’ is thus also a possible risk factor, since this solution risks hampering both organisational continuity and the long-term development of environmental competence within the organisation.

Discussion

Even though it is impossible to prove which factors that definitively deliver success in GPP, due to the dearth of hard evidence on outcomes, this study displays some barriers against and facilitators for *ambitions* towards GPP.

First, it is the perceived lack of enabling regulation for making GPP, a factor missing in the existing body of literature. Despite the call for more GPP in the PPA, the Act has little actual impact compared to local factors. However, it does not mean that procurement officers are shy of regulation - quite the opposite.

Second, there is a lack of resources, in particular human resources, for undertaking GPP. While lack of resources is a default excuse for obstructing reforms in most organisations, many small public organisations clearly lack the critical mass for rolling out GPP full scale. Although GPP is a priority for SEMCo, whose criteria assist sub-national authorities to undertake GPP, recent organisational restructures may very well undermine the role of this organisation (as SEMCo is at present a unit in the Swedish Competition Agency, an agency which mostly looks to the benefits of the market). The incumbent government has announced that a new agency for procurement support, including SEMCo, will be established in 2015.

Third, and not easily analysed, are the indications of politicians paying lip-service to GPP. The political salience of GPP is quite low, especially in local and regional settings where the few elected representatives are more inclined to prioritise visible issues within their jurisdiction. That being said, the sub-national authorities are, with their elected political representatives, frontrunners of GPP according to the SEPA survey.

The most interesting enabling factor for GPP in this study is ‘optimal centralisation’. It was shown in the case with SALAR’s procurement company that procurement on a too aggregated level is a risk factor. Equally, excessive decentralisation may harm the holistic assessment element in the pursuit of lower prices, or in the sheer fragmentation of different organisational units. A strong connection between the procurement, environmental and political offices is desirable. There is no evidence to suggest that collaboration *per se* is a quick fix for the

environment (Koontz & Thomas 2006), but given the different professional backgrounds of the actor groups involved in this area, coordination must reasonably be a better choice than fragmentation (see Walker et al 2013). The largest municipal and regional public bodies in Sweden (including Stockholm County and City of Malmö which have developed comprehensive mechanisms) hold a pole position with regard to GPP.

A second facilitator, also strongly confirmed by the international literature, is the importance of political commitment. It is notable that our respondents refer to local and regional policies and priorities rather than to national and/or EU action as an enabling factor. Another factor is the presence of committed civil servants which may be connected to the historically quite high levels of autonomy in the Swedish public sector (Bäck & Larsson 2008).

A third facilitator is the presence of national support structures such as the SEMCo criteria, developed in close collaboration not only with both public authorities and providers (which increases the legitimacy). So far, the support provided by SEMCo seems to be crucial for maintaining a decentralised policy of environmentally friendly procurements.

6. Concluding discussion

Complying with rules and/or imitating ‘best practices’ seem to be important within the field of GPP. Notwithstanding the voluntary character of GPP and soft regulatory mechanisms there is also the possibility of raising demands through an incremental process of imitation between different authorities (DiMaggio and Powell 1983). Boström and Karlsson (2013) describe such an imitative process of ‘horizontal governance’ as fruitful to the transnational supply chain system (including procurement of textiles). Since supply chains in these industries are global, (devoid of dominating actors or authoritative sources of regulation), the evolution of policies almost by definition precedes ‘hard’ regulation on national or EU levels, and may actually instigate regulation. Yet, it is imperative that standards do not become an excuse for not developing in-house expertise, which was suggested above by one of the respondents (see also Boström et al. 2012) where it becomes an issue about attaining legitimacy from external actors, or to avoid ending up in the public searchlight (Hood 2011). ‘Nobody wants to end up at the bottom,’ as one procurement officer stated. The SEMCo criteria seem to deploy a more positive spiral of imitation. Horizontal governance in the form

of imitative processes may thus enhance GPP, in particular if large and influential public bodies take the lead.

These external pressures are channelled through local settings. However, aside from regulation, what this article shows is that street-level procurers mainly find themselves constrained or enabled by local factors: the local organisation of the procurement function, its political salience, and the availability of knowledge and fiscal resources. Of course, this may be a methodological bias in a material gathered on the local level. However, once again aside from (hard) regulation, the role of ‘soft’ rules, standards, and EU and government policies should probably not be exaggerated. Here, concepts such as ‘inside activism’ (or ‘inside advocates’, if one prefers a more prudent wording) and ‘optimal centralisation’ may guide further GPP research. In a liberal society characterised by decentralisation, such local factors may be the necessary ones for implementing externally developed rules.

Inside activism and optimal centralisation may be linked. In order to make inside activism bear fruit trustful relations between politicians and street-level bureaucrats of different departments are probably required. Such partnerships may bring forward common understandings of problems and solutions. The presence of a democratic structure with elected politicians seems to be imperative, at least for basic GPP ambitions. Indirectly, political accountability towards public opinion and the media may compel decision-makers to a more coherent commitment. But just as important is the ambition to merge local, organisational cultures – specifically the environmental, financial and procurement ones. Fragmentation in the form of outsourcing the procurement function or hiring consultants is definitely not to be recommended; nor is too far gone decentralisation since the fiscal constraint will most probably take the upper hand in the procurements of discrete departments. The knowledge problem is the most awkward one, but should at least improve somewhat by the optimal centralisation proposed here, especially if regional ‘procurement networks’ could be developed.

Local collaboration would probably gain momentum if it included trustful relations with providers although the law prohibits more informal and direct exchanges between the parties. An interesting example of a realm for dialogue has been the Swedish Chemicals Agency’s hosting of industry dialogues regarding harmful chemicals in textiles, toys and cosmetics (with the aim of producing voluntary concessions to use substitutes). Equally, the SEMCo

criteria process brings together engaged representatives from industries, state agencies, counties, and local governments. Similar dialogues on the local or regional levels may be developed, as long as they are not linked to a discrete procurement decision.

This article has shown the importance of local factors – the street-level procurement practice – for developing GPP ambitions. In the absence of binding regulation, such local factors will probably remain disturbingly (because of the global variations in local practices) important. Though the demands are huge, future research must strive to measure the impact of local and regional GPP. One way (which is still challenging) would be to systematically compare the *effects* of political commitment and organisational structure in local and regional procurement decisions. In such an endeavour, the concepts of inside activism and optimal centralisation proposed here could be of use.

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Table 1: Highest ranked factor motivating GPP

Participants in survey							
Role ¹	P	P	P	EE	EE	EE	Ec
Level ²	N	C	M	N	C	M	D
Number of respondents at this level for this role	1	4	3	3	3	2	2
Most significant motivation							
Improve competition	1						
Comply with rules		4	1	1			
Procurer cooperation with environmental experts			2		2	2	
Political ambitions				2			
Fiscal considerations							2
Commitment environmental experts					1		

¹ P: procurer; EE: environmental expert; Ec: economist

² N: national; C: county; M: municipal; D: city district