

# Green Governance: The Role of Governments on the Way to Sustainability in Asia-Pacific

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*Abstract: Asia's population and economies continue to grow and put pressure on natural resources. Asian Governments face increasing challenges and opportunities on their way to sustainable development. In May 2011, governments meet in New York for UN Commission on Sustainable Consumption and Production (CSD). The Commission is responsible for reviewing progress in the implementation of Agenda 21, the Rio Declaration and the Johannesburg Plan of Implementation (cf. UNDESA). Ahead of the UN Meeting, this paper presents examples of policy measures implemented in Asia to boost green development. Governments have the power to use pricing and fiscal policies to move towards sustainable development. The objective of the article is to list effective policy instruments for sustainable consumption and production and at the same time show where governments in the Asia Pacific region have taken first steps towards implementing policy on sustainable consumption and production issues.*

*Keywords: UN-CSD; public policy; sustainability; sustainable consumption; sustainable production*

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In 1992, the international community put sustainability on the world's agenda. The Earth Summit in Rio saw the adoption of an unique global plan of action for sustainable development. 179 heads of state and government signed the Agenda 21 - the blueprint for sustainable development into the 21st Century (UN - United Nations, 1992). 2012 will see the twentieth anniversary of the Earth Summit. World leaders will gather again in Brazil to hopefully renew their commitment to sustainable development. The conference aims to assess the progress and implementation gaps in meeting already agreed commitments, and addressing new and emerging challenges. Preparations for the Earth Summit 2012 are already in full swing. The UN Commission for Sustainable Development in May offered the opportunity to Governments to agree on a 10 Year Framework of Programmes on Sustainable Consumption and Production Pattern. After two weeks of intense all-night negotiations, presentations, side events, round tables, the UN Commission of Sustainable Development did not come to an agreement. The 19th session ended without a closing document. The nations of the world have another twelf months until Rio + 20 to return to the path of sustainable development. A change not to be missed.

Source of all pictures: S. Müller



Empty streets in Singapore due to its road-pricing system



Sustainable development and secure livelihood for all is still a challenge for many countries

Most of the countries in the Asian Pacific region face challenges in moving towards a sustainable economy. Population increase, changing life styles, and an economic structure shifting from agriculture to industry lead in most cases to a skyrocketing domestic demand for energy (Hubace, 2007). Thriving small and medium sized enterprises aggravate the situation by using inefficient production methods, placing a further strain on the environment. The current state of the world requires more effective sustainable consumption and production strategies. But such an approach involves leadership, smarter policies and the engagement of all stakeholders. Good

governance plays a key role in sustainable development: as governments must establish the framework conditions and mandates for sustainable production and the related incentives for sustainable consumption.

According to Zhao and Schroeder the SCP approach aims to decouple economic growths and human well-being on one hand and on the other hand resource consumption and greenhouse gas emission. (Zhao & Schroeder, 2010). To reach such a position of sustainable consumption and production, markets need to take full account of environmental and social costs, as well as those for production and marketing. Governments have the

power to use pricing and fiscal policies when establishing a framework within which the markets can operate. They are therefore able to adjust existing markets to support and encourage sustainable practices.

### Market Interventions

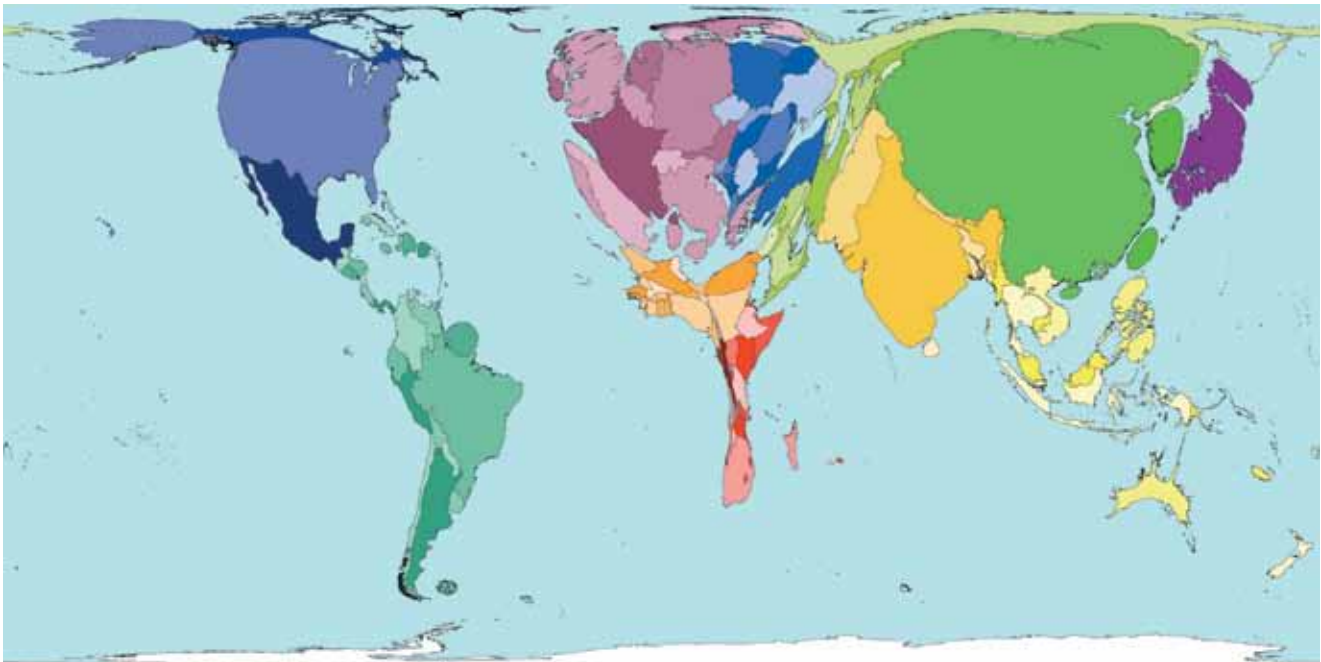
Governments can also intervene in markets to encourage consumers to change their behaviour to take greater account of the environmental and social costs of their consumption by using taxes and subsidies to raise or lower the costs of consumer habits. In many countries taxes on household consumption are already being used to motivate consumers to be more conservation minded (Stevens, 2010). Electricity taxes, water charges, and deposit fund schemes (a type of tax which is paid back once the product is returned for recycling) are typical. The government of Malaysia, for example, aims to increase the recycling quota up to 22% in 2020 (Government of Malaysia, 455). In Singapore congestion charges are based on a polluter pays or pay-as-you-use principle and an electronic road-pricing system discourages driving during peak periods (Singapore, w.y).

Economic and sustainable development relies on the efficient use of resources and the minimisation of pollution. The extent to which this occurs varies from country to country. As prices rise decision-makers find themselves with increasing responsibility for determining a path towards sustainable development. Governments may use 'push' or 'pull' approaches to encourage industry to behave more efficiently and to generate less waste: taxes and regulations push businesses to use fewer unsustainable products, and subsidies pull them towards the use of more sustainable processes. Regulations are the most widespread public policy mechanism for getting industry markets — mainly manufacturers — to pay for public costs such as pollution. Increasing environmental concern lead many countries across Asia to introduce regulations for industry to reduce waste and polluting emissions.

### Resource Efficiency

The 3 R approach (reduce, re-use, recycle) has been adopted by several Asian countries including Malaysia, Philippines, Korea, Thailand, Vi-





**Global Meat Consumption.** Territory size shows the proportion of worldwide meat (including animal products) consumption that occurs there © Copyright SASI Group (University of Sheffield) and Mark Newman (University of Michigan).

etnam, India and Nepal (Visvanathan & Tenzin, 2010). Another example are established rules or regulations which mandate a switch to more sustainable practises. As in other countries, the government in Vietnam banned unleaded petrol in 2001 to cut air pollution (ADB 2011, 9) but it also introduced regulations to limit the age of vehicles on the road. From 2001 to 2006, 44,500 old cars of all types were excluded from use according to legal stipulations. As a result, the air pollution in urban Vietnam was reduced significantly (Murray 2010, 128). This measure contributed significantly to the reduction of air pollution in Vietnam's urban centres.

Governments also tax industry to promote an efficient use of resources and to penalise the use of business practices that are damaging the environment. As they do for the people, governments may also employ subsidies or tax incentives to promote sustainable production — for example for environmental research, innovation, or infrastructure. Indonesia, for example, has the biggest geothermal potential in the world and the government is offering tax incentives to encourage the development of renewable energy projects, including those based on geothermal energy, to ultimately cut dependency on fossil fuels (Friedman, 2010).

### **Policy to Create Market Pull**

'Changing Consumption Patterns'

was already a subject in the Agenda 21. In Chapter 4 the authors call for 'special attention' to be paid 'to the demand for natural resources generated by unsustainable consumption' (UN, 1992b). Already nearly two decades ago the authors saw the need to know more 'about the role of consumption in relation to economic growth and population dynamics in order to formulate coherent international and national policies' (UN, 1992b). Sustainable consumption has since been interpreted differently. Debates have moved from production focused resource efficiency, to lifestyles and behavior change (Jackson 2006, 7)

Tim Jackson stipulates "consumer behaviour is key to the impact that society has on the environment". (Jackson 2005, iii). Millions of consumers in the newly industrialised countries of the Asia-Pacific region are currently changing their consumption patterns. Especially younger generations strive for western lifestyles.

Through their purchasing power, consumers can play an important role in stimulating enterprises to adopt more sustainable practises, in terms of both products and processes. Consumers can create markets for sustainable products and encourage companies to innovate and develop new technologies. Governments can encourage consumers to buy green and in this way indirectly promote sustainable production. All policy instruments mentioned i.e. economic ins-

truments; regulatory instruments or voluntary instruments can be used to influence consumers' behaviour.

To promote the cultural shift towards sustainable consumption communication based policy instruments play an important role. Communication-based policy instruments include a variety of activities aimed at influencing consumers through the transfer of knowledge, information or exhortation (Heiskanen et al., 2009). For reaching out to consumers a wide range of tools is available campaigns, consumer information centres, or feedback on consumption.

Different societies and different policy makers favoured a different mixes of policy tools. Product standards, for example have been introduced as a tool to help fulfil SCP policies where markets do not, for example in energy efficiency or in a complete product ban as with lead paint. SCP policy tools aimed at fixing market failures are product standards, e.g., for energy efficiency, or complete product bans, e.g., on lead-based paint. Here, the government stimulates or even directly forces producers to remove unsustainable or less sustainable products from the market and by doing so, directly affects consumer choices. A number of countries have imposed energy efficiency standards on a variety of household goods. China, for example, has developed mandatory minimum efficiency standards that cover more than 20 types of major products



Family on Motor Cycle: To guide Asia consumers towards sustainable choices a variety of policies are needed

such as residential and commercial appliances, lighting, heating and cooling equipment. (Levine et al., 2009).

Voluntary labelling schemes to motivate sustainable consumption are widely available across Asia. Already in 1992, the Bureau of Product Standards of the Philippines (<http://www.bps.dti.gov.ph>), for example, established voluntary labelling for household air conditioners. The energy label displays the appliance's energy efficiency rating so that consumers can use the information to compare products. Since then this label has been extended to various other product groups.

Public communication campaigns are also used to provide information to consumers to enable them to make more informed purchasing decisions. The Philippine Governments invested in campaigns to increase awareness and understanding of the voluntary energy label. To boost sustainable consumption, governments can also make sure the topic is incorporated into formal and informal education. However, as Jackson points out, providing accessible and appropriate information to facilitate pro-environmental choice is

insufficient on its own. Information campaigns, Jackson states, do not to reflect the complexity and social nature of human behaviours (Jackson 2005, 128).

Mandatory product labels or corporate reporting can reinforce voluntary consumer approaches. Mandatory levels established by governmental authorities influence consumers' choices much more effectively. By demanding manufacturers to label their goods with information on their environmental and social features, governments can affect relative levels of demand and give incentives for the production of more sustainable products.

### Role of Public Authorities

Traditionally, Governments are seen a legislators, policy makers and facilitators. The fact that Governments and their public administrations are major consumers themselves has been increasingly recognized. Public consumption in Asia typically account for 20-30 per cent of the national products and services. (UNEP 2005, 13).

Public authorities are often the largest single purchasers of goods and

services. By introducing green public procurement standards, governments have enormous influence to steer manufacturers and markets towards sustainability. Amongst others China, Thailand, Japan and South Korea have already established green procurement policies, and other Asia countries are discussing it. The Chinese government for example enacted already in 2003, a Government Procurement Law. In September 2006, China's Ministry of Finance and the State Environmental Protection Administration (now the Ministry for Environmental Protection) issued a directive fostering green public procurement, which is accompanied by a frequently updated "green purchasing list" of eco-friendly products and producers (Ho et al., 2010).

### Need of Good Governance

Good governance plays a key role in sustainable development: as governments must establish the framework conditions and mandates for sustainable production and the related incentives for sustainable consumption. An effective sustainable consumption and production policy mix should combine



soft tools such as the provision of information via labelling, and reporting with hard tools including regulations and taxes. Consumption and production should be targeted together. An integrated policy mix, where efforts to guide consumers towards environmentally and socially responsible choices are reinforced by policies forcing producers to internalise environmental and social costs, is most effective for sustainable development. The sustainable consumption and production approach is pulling in just about every environmental challenge. At the same time SCP offers possible and practical solutions to address a range of global environmental and socio-economic challenges, including climate change. Multiple options for innovative policymaking for SCP already exist. Some have been applied in the Asia Pacific region as the article has shown. The UN Commission for Sustainable Development offers the opportunity to Governments to agree on a 10 Year Framework of Programmes on Sustainable Consumption and Production Pattern. A chance not to be missed.

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