

Understanding the incentives for being frontrunners in adopting green building standards in developing country

Qualitative analysis of interviews with six frontrunners in Cambodia

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1. Introduction

Green building standards are one of the critical mechanisms to promote sustainable development in urban areas. Developing nations, such as Cambodia, are now experiencing massive urban renewals in the city, including a large number of building constructions. These new buildings are essential for these nations' economic growth but also add to the emission of GHGs from the city. If these buildings in developing nations were designed with advanced features for reducing GHG emissions as well as impacts on the surrounding natural and built environment, future generations would benefit enormously from such a leapfrog strategy. On the other hand, the costs associated with the adoption of existing green building standards, often stipulated in the context of developed nations, can be prohibitively high for investors and owners in developing nations. Frontrunners—who adopt green building standards even with the extra costs and demonstrate the added value of green buildings for other developers—can be critical players in promoting such buildings in the developing nation's context. Without such courageous frontrunners in the building sector, no one else would consider choosing green building designs whose construction costs are for sure higher than conventional ones but whose benefits are highly uncertain in the developing nation's context.

In Cambodia, however, seven buildings have already been certified by the US-based LEED standards. Why did the owners decide to adopt the LEED standards even with the added costs of constructing and designing their buildings? What motivated these frontrunners to integrate the green building features? These are critical questions to be explored in promoting green buildings in developing nations. Thus, this study qualitatively investigates the adoption of green building practices among owners of buildings certified by LEED in Cambodia.

2. Methodology and Data

The presenting author interviewed six LEED-certified building owners in Cambodia through a teleconferencing system. For one of the seven buildings, the person who decided to adopt the standard had already left the organization and could not be reached. Each interview was

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transcribed in Khmer, and the transcripts were translated into English for further analysis. The authors explored the literature on the adoption of environmental standards and developed a list of hypothetical motivations for adopting such standards, including both financial and non-financial incentives. Transcripts are qualitatively analyzed deductively using the list as well as inductively by reviewing the text.

3. Results

Out of six interviewees, only three mentioned the importance of direct financial benefits, such as the reduction in energy and maintenance costs, as a key driver for their LEED certification. On the other hand, all interviewees explicitly pointed to different kinds of non-financial incentives. Most importantly, five of them pointed to diverse commitments by their global headquarters, mainly because these building owners in Cambodia were subsidiaries of global companies. Global corporate sustainability strategies require the adoption of LEED certification in their construction activities. Other kinds of non-financial incentives include the influence of clients and the market, the local organization's commitment to protecting the environment, as well as the promotion of corporate social responsibility as publicity and marketing tools.

Meanwhile, the interviewees suggested that, in order to promote green building standards further in Cambodia, financial incentives like tax reduction, direct grants, and rebates would be essential in addition to the non-financial ones. The frontrunner cases in Cambodia may be encouraging but may not be sufficient for other local businesses to adopt the standards at higher costs.

4. Conclusion

The study revealed the significance of international pressure, through the global corporate strategy determined abroad, on the early adoption of green building standards in developing nations. It hints at the effectiveness of strategically utilizing such global corporations as a mechanism for promoting green buildings in developing nations. Such strategies, however, would be effective in realizing the first few frontrunners but might not be so in diffusing the practice to other local building owners.