Transaction Costs in Environmental Purchasing: Analysis Through Two Case Studies

CAMPOS, J.G.F.*, MELLO, A.M.*, KRUGLIANSKAS, I.*

a. Faculdade de Economia, Administração e Contabilidade da Universidade de São Paulo (FEA-USP), São Paulo

*Corresponding author, jguilherme.feausp@gmail.com

Abstract

The concern about corporate environmental performance has progressively extended the scope from the company to embrace its supply chain. Thus, supply chain management (SCM) has been adjusting itself to the so-called Green Supply Chain Management (GSCM), for which the environmental purchasing has been one of its most significant elements. By doing so, companies adopt additional criteria for evaluating suppliers, which, as argued, generates additional transaction costs. From the SCM theoretical basis and their specificities regarding GSCM, and looking through the analytical lenses of Transaction Cost Economics (TCE), this article aims to discuss the transaction costs involved in the supplier selection process with the environmental purchasing approach. As a result, the research contributes to further develop the discussion on the application of TCE within the GSCM, developing and analyzing, in the light of two cases, six propositions that relate the environmental purchasing with transaction costs.

Keywords: Green supply chain management (GSCM), Environmental purchasing, Transaction cost economics (TCE), Supplier selection