



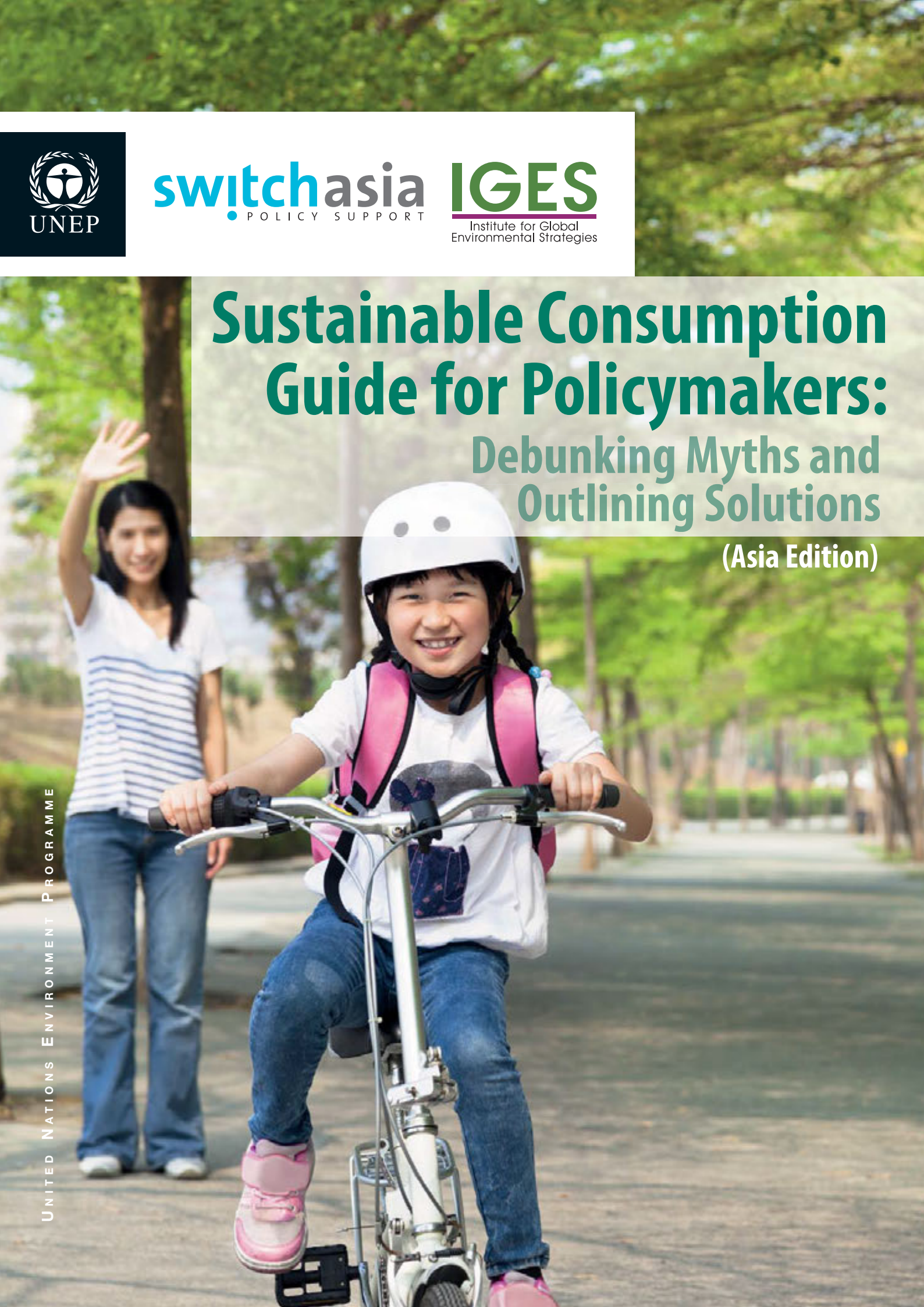
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Sustainable Consumption Guide for Policymakers:

Debunking Myths and Outlining Solutions

(Asia Edition)



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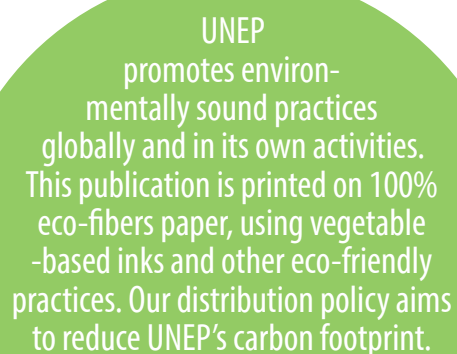
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Outlining Solutions
(Asia Edition)**



About this Resource Pack

This Resource Pack has been prepared for public officials and other stakeholders who would like to develop policy based solutions for sustainable consumption (SC). It demonstrates the practical meaning of sustainable consumption and production (SCP) as a policy integration approach, and provides tools to support design and implementation of policies and activities that respond to the context of the Asia-Pacific region. This is done by identifying and discussing some common myths that are obstacles to more effective SC actions and then by recommending potential solutions, mainly from an Asian perspective but also informed by practices in other regions.

The Resource Pack consists of a series of short and concise technical *briefs* designed to be easily drawn out and used by policymakers. They are each semi-autonomous and not arranged in a sequential manner, so that each can be read independently or interlinked, and in any preferred order.



Part 1 provides an overview of current issues related to sustainable consumption, links these to the Asian context and frames the nature of the policy problem.

MYTH

Part 2 highlights some common myths around sustainable consumption that need to be confronted and explores how they affect sustainable consumption policies and practices in Asia.



Part 3 consists of thematic solutions briefs with potential policy approaches to ensure more sustainable consumption patterns in Asia.



Part 4 is a recommended reading list on sustainable consumption, with relevance to Asia

The resource pack is complementary to the training handbook “Sustainable Consumption and Production: A Handbook for Policymakers” developed by UNEP (2014), which provides a broad overview of SCP, the SCP policy cycle, and specific sectoral interventions.

The language of the briefs is deliberately less academic, as they are meant to be closer to more mainstream policy publications. The intention is to make the knowledge more accessible, and the concept of SC closer to practice. With such consideration, the briefs are not data heavy, but are more qualitative and deliberative. However, although the style is less academic, all facts and proposals in the briefs are backed by rigorous science and research.



Part 1: Why is Sustainable Consumption Important in Asia?

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There are 4 billion people across Asia, about 65% of total world population. This group currently represents 20% of the world's consumer power, but that is set to change quickly, increasing to 48% by 2030 (ADB, 2010). This is a scale that has influence not only on Asia, but also on the rest of the world.

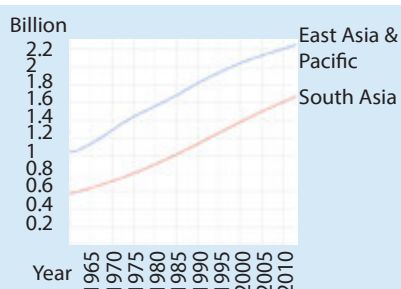


Figure 1. Population growth in Asia over the past 50 years (World Bank, 2014)

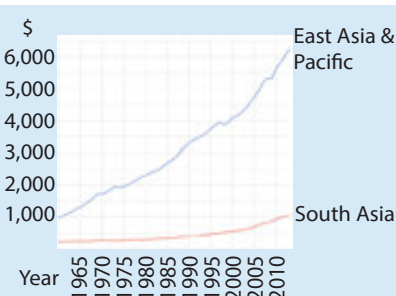


Figure 2. GDP per capita (constant 2000 US\$) in South East Asia and the start of rapid increases in South Asia (USD) (World Bank, 2015)

With rising populations and disposable incomes, consumption patterns in the region are changing rapidly. These are typically urban lifestyles, fortified by a high rate of rural-urban migration. The growing concentration in cities results in an increasing demand for products and services, including more transportation, more convenient foods and more energy. These increases in disposable income have led to more materially affluent lifestyles.

Rising consumption

- China and India now form the world's first and second largest mobile phone markets.
- Car sales in these two countries have been increasing at an annual rate of 15% – 30% per year; in India alone, the number of annual car sales has grown from 0.5 million to 1.5 million additional units annually.
- Consumption of home appliances and electronics, fashion pieces, housing sizes and unit space per occupant, car ownership, etc. are all on the rise.
- Dietary shifts towards animal based food are also sharply on the rise.

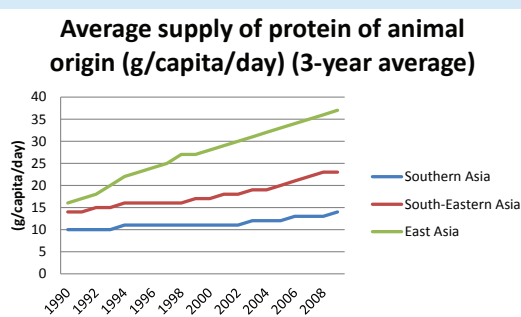


Figure 3. East and South East Asian diets are shifting rapidly towards meat based products, which have a greater impact on the environment unless produced sustainably (FAOSTAT, 2015)

While increase in consumption can also increase material wellbeing, it is also associated with increased pressure on the environment that we depend on and growing exploitation of resources. The linkages between consumption and environmental degradation are not always obvious, but consumption drives and is driven by economic processes in resource extraction, production and waste sectors. Consumption patterns can

cause various negative environmental pressures, such as water and air pollution, soil contamination, water scarcity, ecosystem degradation and loss of biodiversity (See Table 1.1 below).

Still, the rapidly increasing consumption rates by the consumer class¹ does not overshadow the need to eradicate poverty. There is a growing dichotomy of social existence in developing Asia-Pacific countries where on the one hand, material consumption mirrors patterns seen in the affluent industrialised Developed Countries, while on the other hand, poverty blights marginalised areas of cities and limits opportunities for well-being in villages. Economic growth has lifted many people out of poverty, however a large number of people still remain at or below the minimum sustenance level in the region.

¹ Consumer class: people who can buy goods and services beyond those needed to satisfy their basic needs.

The outlook?

The rapid consumption increases Asia has seen in the last decade will be further overshadowed by the large increases in consumption to be expected in coming decades. A significant shift in economic power from the developed world to emerging economies is expected in the next 15 years (UNEP 2014). As forecasted by the Asian Development Bank (2010), by 2030 Asia is expected to be at the forefront of worldwide consumption, consumer spending is likely to reach USD 32 trillion and comprise about 48% of worldwide consumption.

Table 1: Asian trends in sustainability pressures that frame the main drivers of consumption

Determinant	Asian trend	Characteristic
Population	Increasing	High fertility rates across the region, especially among less educated and poor populations; the overall rate of population growth is predicted to decrease in the mid-term future.
Economy	Increasing	High GDP growth rates per year; mainly from agriculture and manufacturing – taking advantage of low labour costs, manufacturing of consumer goods (electronics, fashion) sold worldwide has been mostly outsourced to Asia.
Rural-urban migration	Increasing	Many young people move to cities to seek employment opportunities; rural areas are drained of youth and labour forces for traditional industries; urban lifestyles are energy and resource intensive.
Consumer-class	Increasing	The so-called ‘good life’ typified by media images of Western-style consumerism now define the lifestyles of the consumer class and aspirations of low-income populations
Market pressure	Increasing	Innovative ways of stimulating consumption, such as aggressive advertising, credit card use, consumer loans and rebates after purchase are on the rise.
Poverty	Variable	Asia is home to almost half of the world’s total poor. They predominantly live in slums in cities and in rural areas, dependent on unsustainable livelihoods

Consumption driven by choice as opposed to need is expected to increase substantially in these emerging markets as higher incomes raise demand for material possessions. For example, it is estimated that India could potentially increase its aggregate urban consumption six-fold between 2005 and 2025, and consumption could increase more than sevenfold in China (UNEP 2014).

A related emerging priority area is cities and urban infrastructure. A third of developed world cities that are currently on the list of the top 600 in terms of GDP will no longer make this list in 2025, and 136 new cities from developing countries will make it onto the list for the first time. Around 85% of demand for housing will be in the cities of emerging economies, and 50% will be from China’s cities (UNEP 2014). This construction boom is likely to have a major impact on natural resources (but represents an unprecedented opportunity to invest in sustainable infrastructure) and increases the urgency of the questions about the future resource security of Asian economies. As the figure shows, resource use in the region is growing rapidly, placing stress on resource supplies, ecosystems and receiving environments with pollution. But is the construction boom and expansion of infrastructure and cities, as well as the opportunities they present being used to build sustainable urban systems?

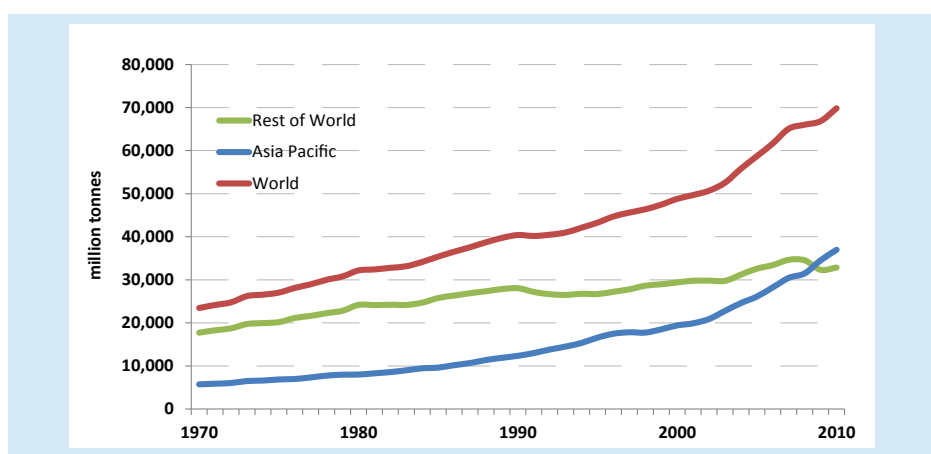


Figure 4. Domestic materials consumption for the Asia-Pacific region, Rest of the World, and World, for the years 1970 – 2010 (UNEP, 2015)

Why do consumers consume? Understanding consumption

The link between impacts and ‘utility’

Often when we hear about consumption in the context of SCP, it seems to be referred to negatively. This may be because ‘consumption’ is often confused with ‘consumerism’. In reality, all of us need to ‘consume’ every single day to meet our everyday needs – those needs for survival (such as water, food, shelter), but also other every day needs, such as getting to work, socialising and expressing ourselves. In economic terms, we consume goods and services that have ‘utility’ or usefulness in our lives.

As populations become wealthier, moving out of poverty and into the middle and upper consumer classes, their incomes increase and they naturally aim to seek more utility in their lives. Affluence – usually measured by GDP/capita - is a known driver for resource use (UNEP 2011). The link between affluence and resource use lies in the type of utility sought out by those becoming more affluent – in other words, their lifestyle choices about which goods and services would make their lives better.

Table 1 shows the causal relationship between environmental impacts on the left side of the equation, and the factors that drive it on the right hand side. These factors are summarised below. When these factors are multiplied, the environmental impacts of all the resources we use globally sum to generate the environmental impacts that dominate headlines today: climate change, biodiversity losses, human health impacts and resource scarcity issues.

Table 2: Lifestyles and the decoupling equation

Impacts	=	Population	Affluence	Well-being and lifestyle ²	Resource intensity	Eco-intensity
		(capita)	(GDP/ Capita)	(utility/ GDP)	(resources/ utility)	(Impact/ resource)
Climate change, biodiversity, human health, scarcity		When there are more people, more resources are needed to satisfy their needs.	With more income, individuals can consume larger volumes of goods and services.	This relates to the amount of benefit or satisfaction we expect from life, but not the physical means to satisfy this expectation – that is covered under resource intensity.	The resources (energy, land, materials, water) required to provide the good or service	The environmental impacts of the resources used
		SCP strategy:		Sustainable lifestyles – meeting one’s needs and wants in a way that optimises the benefit gained out of every unit of income.	Dematerialisation – using fewer materials more efficiently, such as through miniaturisation, multi-functionality, product service systems or sharing systems.	Trans-materialisation/ substitution – switching to more benign materials with lower environmental impacts over the life cycle.

Source: adapted from Azar et al (2002) *Decoupling - Past Trends and Prospects for the Future*, Chalmers University

² The concept of sustainable consumption relates to the middle factor – lifestyle or the utility per GDP. The utility per GDP relates to the amount of benefit or satisfaction we expect from life, but not the physical means to satisfy this expectation – that is covered under resource intensity. One example is mobility. Our lives might demand a high or low level of mobility. How we obtain the mobility – whether through a car, a train or walking – is related to the resource intensity, which is a different factor and the distinction is critical to sustainable consumption.

Understanding 'utility' and 'needs'

Utility can be thought of as "meeting needs". Manfred Max-Neef in the 1980s suggested a framework with some insights to the drivers behind unsustainable consumption. Using this framework shows that clothing, for example, can contribute to multiple needs:

- **Subsistence:** the most basic, when it is used for its pure function of warmth or protection.
- **Participation:** social norms dictate that parts of the body are covered
- **Identity:** contributing to self-esteem, status or belonging to a particular group, for example when buying luxury brands
- **Creation:** aligning with one's design aesthetic, choosing clothes you like the look of.

Therefore when we think about policies that address sustainable consumption, we should be sensitive of the fact that consumer purchase items for multiple reasons that relate to fundamental human needs that should not be undermined.

Satisfying needs

Max-Neef further talks about the types of 'satisfiers' of needs. This is a useful concept when we look at sustainable and unsustainable consumption. Is the consumption that is driving the impacts really giving us the lifestyle that we are looking for? Using this framework we can consider whether goods or services are:

- 'Synergistic satisfiers' that can satisfy multiple needs
- 'Singular satisfiers' that just satisfies one need
- 'Pseudo Satisfiers' that might appear to be satisfying a need but in reality have little effect, or
- 'Violators' that do not satisfy a need and might impede fulfilment of other needs, (for example the story about a Chinese teenager that sold his kidney for an iPad³).

Unsustainable consumption or consumerism is often related to the fulfilment of needs related to identity, aspects like self-esteem, status, sense of belonging. However, when they are 'pseudo satisfiers' they are ineffectual or the effect wears off relatively fast, leading to the desire for new satisfiers to meet the need.

Many products are designed in order to become obsolete in terms of fashion. Smart phone models are updated yearly, fashion is updated according to season and social norms exist that one should be 'up to date' or at least avoid being 'outdated'. This means that products are often pseudo satisfiers for needs, and the attempt to satisfy them can be an endless process, stimulating a slavery or addiction as depicted in Figure 5 below.







Figure 5 The Rat Race

³ The Telegraph, 2012, "Chinese student sells kidney for iPad" <http://www.telegraph.co.uk/news/worldnews/asia/china/9466585/Chinese-student-sells-kidney-for-iPad.html>

The opportunity

The above trends combined show the critical need to ensure sustainable consumption as one of the major trends in the region. According to Ashok Khosla⁴ there are four trajectories of development in consumption and production patterns, presented below.

Table 3: Alternative development paths with sectoral examples

Developing Countries:		Copy Cat: Business as usual? 	Piggy Back: Fine Tuning? 	Leap Frog: Transforming? 	Horse Jump: game changing? 
Societal Choices driven by:		Technology	Strategy	Objectives	Lifestyle/Values
Innovation models		Obsolescence	Miniaturize/ Durability	Share economy, collaboration	Rethinking wealth
	Food	Large scale monoculture, buffet, food waste	Organic	Urban farming	Adapting to low footprint diets
Sector	Manufacturing	Hardware intensive	Mini hardware	Sharing, Rental	Biomimicry
	Construction	Cement, Steel, Concrete	Lightweight Elements	Recycled Materials	Industrial Wastes
	Waste	Dumping, Incineration	Sep. Toilets, Composting Recycling	Biogas, Reuse, Repair, Redistribute	Refuse, Redesign
	Transport	Car, Airplane	Fuel efficient cars, two wheelers	Public Transport, Bicycle	Zoning, IT Internet
	Lighting	Incandescent light bulbs	CFLs	LEDs	Daylight, smart bills helping consumers see how to save energy

One can see that there are many options available to meet the needs of consumers - through both high-tech and low-tech consumption patterns and practices.

- Transport and communication needs can be met with resource intensive consumption (individual vehicles) or resource efficient consumption (high speed rail, telecommuting, bicycles, public bike systems).
- Nutrition needs can also be met in a variety of ways. Heavily meat-based buffets are notoriously inefficient ways of feeding people, whereas low meat diets with low rates of food waste can be more resource efficient.
- Shelter needs in urban areas can be met in low density, detached energy intensive homes, or high density, energy efficient buildings.

⁴ Presentation by Ashok Khosla, "The post-Rio Future We Want in Asia: the SCP Engine", Bangkok, 12 November 2012, http://www.switch-asia.eu/fileadmin/user_upload/RPSC/policy-dialogue/scp-in-asia/Session_2_-_International_Framework_for_SCP_-_Khosla.pdf

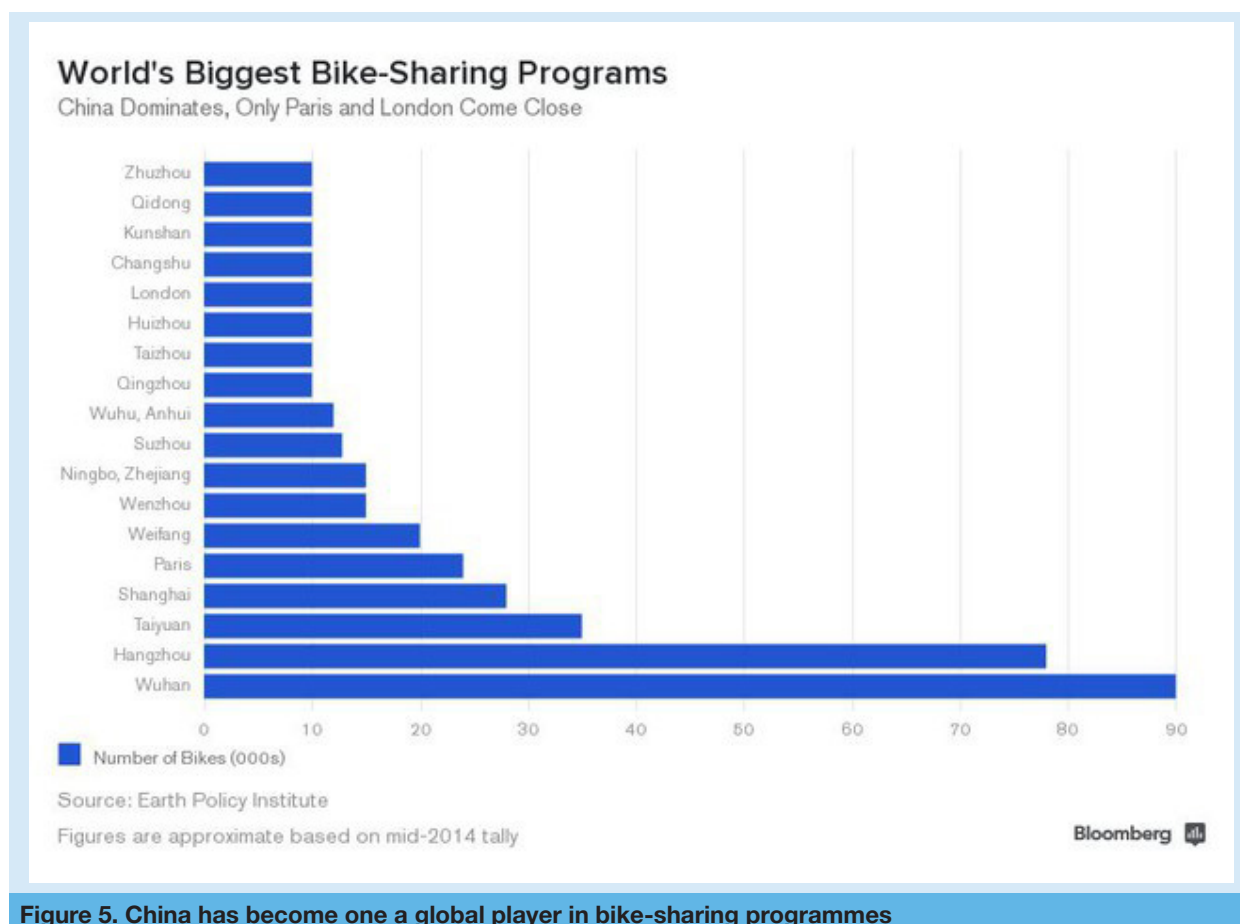


Figure 5. China has become one a global player in bike-sharing programmes

What is even more apparent is that even for the most radical 'game changing' options towards a sustainable society, the basic knowledge upon which to start action already exists. In addition, many countries have existing policies and regulations, which can readily incorporate SC, showing that progress has been made and there is a ready basis for addressing SC within governance frameworks. And while there are already examples of transformational action that can be gleaned within countries in the region, the political will to tackle unsustainable consumption through policy needs further strengthening. At the same time, political will should be considered a necessary but not sufficient condition for a transformational action. Political will is needed to steer governance and to create the right conditions for markets and societies to make better choices. This resource pack aims to clear some of the myths limiting action, and to highlight some of the available opportunities for policymakers to take meaningful action.

References⁵

ADB, 2010. *Middle Class Size in the Past, Present, and Future: A Description of Trends in Asia*. Natalie Chun, ADB Economics Working Paper Series No. 217 | September 2010

Bloomberg Business, 2013, 'China Races Ahead of the Pack as Bike Sharing Goes Viral', <http://www.bloomberg.com/news/2014-08-22/china-races-ahead-of-the-pack-as-bike-sharing-goes-viral.html>

UNEP, 2014. *City Level Decoupling: A report of the Working Group on Cities to the International Resource Panel*. United Nations Environment Programme.

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⁵ Brief written by Lewis Akenji, Janet Salem, Magnus Bengtsson



Part 2: Myths about sustainable consumption and their impact on policy

MYTH # 1

Sustainable Consumption is incompatible with Poverty Eradication

A common misunderstanding about sustainable consumption is that it always implies reducing current consumption levels, or lowering the standard of living. In developing countries, this is interpreted as conflicting with the need for poverty eradication and continued economic growth. However, simply put, sustainable consumption means living a healthy and fulfilling life while not consuming more natural resources than the planet can provide or replenish, and not generating more waste than nature can safely take care of – this can be achieved by all consumers irrespective of income.

Developing countries have not taken advantage of SCP as a framework for integrative development planning to increase social well-being and ecological sustainability.

I. Effects on policy

Unfortunately, one of the consequences of this misconception is that it has led to sustainable consumption being discussed at the political level as if it is impossible for low-income households and a challenge for eradicating poverty. Many developing countries have thus not taken advantage of the integrative nature of the SCP approach as a framework for development planning to increase social well-being and ecological sustainability. If sustainable consumption is integrated into policymaking, it can allow policymakers to harness lessons

from some of the perverse effects of materialism now being witnessed in industrialised countries.

Governments continue to provide incentives for western-style consumerism, building shopping malls, driving out traditional marketplaces, prioritising investment in infrastructure that promotes private over public transport, approving schemes for consumer credit and indebtedness, providing subsidies for corporatization that comes at the expense of rural communities and micro-level enterprises, and so on. In the meantime, although poverty levels are falling slightly, inequality and social agitation continues to grow. Indeed, many developing countries today see rising inequality as a standard by-product of development

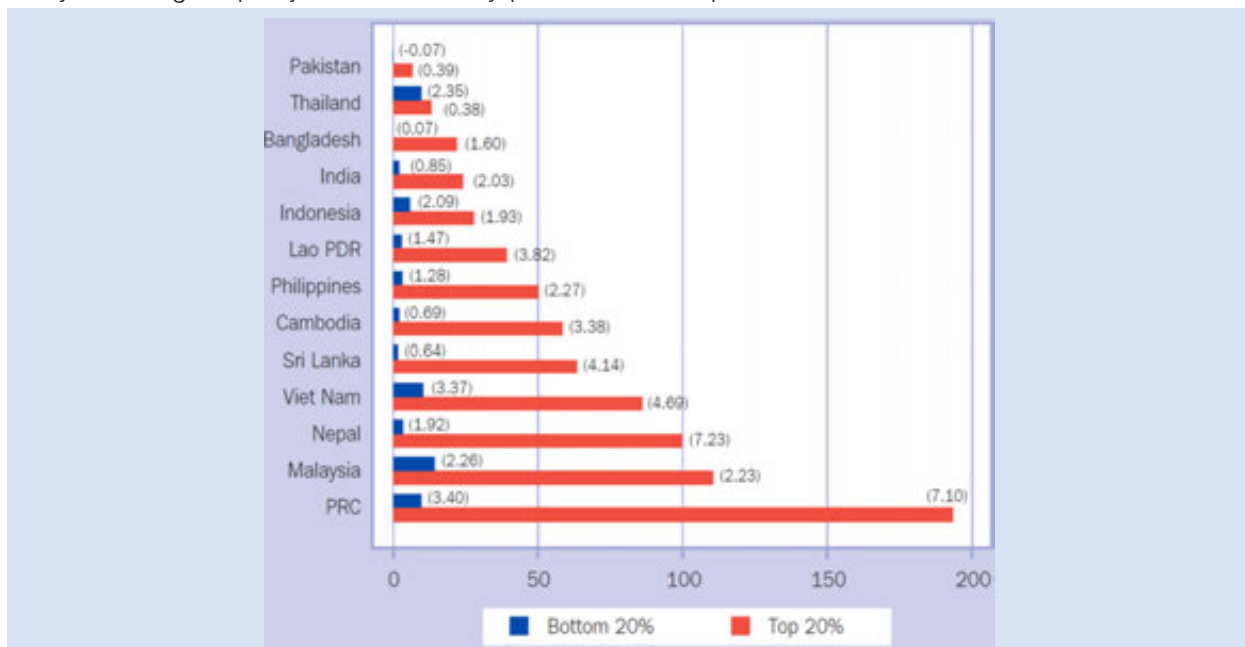


Figure 1: Changes in Per Capita Expenditures, 1990s-2000s, Bottom 20% and Top 20%

Source: *Inequality in Asia: Key Indicators 2007 Special Chapter highlights*, by ADB, Manila.

II. Underlying Misconceptions and the Reality

Misconception	Reality
<p>Sustainable consumption means consuming less, given that consumption at a global level is currently higher than the estimated carrying capacity of the planet.</p> 	<p>Sustainable consumption means consuming differently, in a more resource efficient way. When applied, having more sustainable patterns of consumption differs from consumer to consumer. In most developing countries, there is a clear need to increase net levels of consumption to meet basic needs of the poor. Thus, rather than reducing the standard of living, sustainable consumption offers a resource efficient and resilient approach to raising the level of well-being, while addressing poverty eradication. There is also potential to reduce the eco-intensity of consumption, rather than the amount of consumption. For example, commuters can travel more in trains than in private cars, freeing up more disposable household income for other expenditures⁶, while reducing local pollution and congestion from cars.</p>
<p>Sustainable consumption is only for Europe and North America with affluent lifestyles, and not for developing countries with high poverty rates.</p> 	<p>The traditional image of poor people living in the global South and rich in the global North is fast changing. There is a large and increasing number of people in developing countries with lifestyles similar to those of people in industrialised countries. For example, there are just as many billionaires living in Asia as in Europe⁷. At the same time, large parts of the population still live in poverty. Given that many parts of Asia would need to increase material consumption in order to meet basic needs of the people, the challenge is to reduce extremes of both poverty and wealth by ensuring that there is resilience and equity in distribution of resources, and also to ensure that the increase in consumption follows a model with the least impact on the environment.</p>
<p>Sustainable consumption does not support economic development.</p> 	<p>Sustainable consumption is primarily concerned with quality, rather than the quantity of economic growth. Analysts have made two important observations regarding the current growth model. The first is that as emerging economies continue to grow, most of the wealth is accumulated in the hands of a few wealthy individuals, leading to large inequality in society. The second is that economic growth increases happiness in society, but only to the extent to which it provides for the basic needs of people. Beyond that, economic growth makes only marginal contributions to well-being, while having damaging impacts on the environment. The World Economic Forum⁸ recently started to recognise sustainable consumption as an economic opportunity and future direction for business.</p>
<p>People in rural areas already lead sustainable lifestyles, thus sustainable consumption is only for those in cities.</p> 	<p>Under-consumption is one of the challenges that we need to address in developing more sustainable consumption patterns. Many rural areas still need stable access to basic needs and services such as food supplies, shelter, energy as well as infrastructure for health and education, which are essential to poverty eradication. The rural poor tend to live in fragile environments, and their livelihoods heavily depend on natural resource use and ecosystem services. Sustainable consumption ensures that these resources are exploited in an equitable, efficient and resilient manner for long-term sustainability.</p>

⁶ When savings from efficiency free up money to buy other things, this can also be referred to as a “rebound effect”, meaning that the additional consumption made possible by the saving reduces the overall resource efficiency.

⁷ See, for example Forbes Magazine’s Mapping the Wealth of the World’s Richest: http://cdn1.vox-cdn.com/uploads/chorus_asset/file/663556/billionaire-map.0.jpg

⁸ <http://www.weforum.org/issues/sustainable-consumption>

III. Approach to Solutions

International SCP policy recognises the imbalances in consumption patterns between developing countries and industrialised countries. Coming from the Rio 1992 United Nations conference, it was acknowledged through Agenda 21 that: “Although consumption patterns are very high in certain parts of the world, the basic consumer needs of a large section of humanity are not being met.” Governments advised on the need

**“Although consumption patterns are very high in certain parts of the world, the basic consumer needs of a large section of humanity are not being met.”
Agenda 21**

for a “multipronged strategy”, that measures “must take fully into account the current imbalances in the global patterns of consumption and production” – this implies that populations that are over-consuming will have many opportunities to reduce their material consumption levels, while maintaining their quality of life and allowing those that are yet to meet their basic needs to increase their consumption levels in order to have sustainable livelihoods and improved quality of life.

One of the immediate policy opportunities is to use an SCP approach to address poverty eradication in the Post-2015 Development Agenda⁹, which will integrate the priorities of the Millennium Development Goals (MDGs) and more.

Indicator sets for the MDGs and for SCP are highly complementary - access to health and nutrition, education, public infrastructure, shelter, energy, etc., are of immediate concern to both. In fact, SCP has the additional functionality of being an integrated planning approach with a focus on increasing well-being rather than just economic growth. Policy solutions should take into consideration the following key principles:

- i. Improving quality of life without increasing environmental degradation, and without compromising the resource needs of future generations.
- ii. Applying life-cycle thinking, which considers the impacts from all life-cycle stages of production and consumption process.
- iii. Guarding against the rebound effect, where efficiency gains through one policy are cancelled out by resulting in a net increase in consumption of unsustainable goods.

Recommended Reading¹⁰

- World Economic Forum, 2014 Sustainable Consumption <http://www.weforum.org/issues/sustainable-consumption>
- ADB, 2012. *Asian Development Outlook 2012: Confronting Rising Inequality in Asia*. Asian Development Bank, Manila. (Online at: <http://www.adb.org/sites/default/files/pub/2012/ado2012.pdf>)
- UNEP, 2012. *Sustainable Consumption and Production and Poverty Alleviation*. United Nations Environment Programme, Nairobi. (Online at: <http://www.unep.fr/shared/publications/pdf/DTIx1515xPA-SCPforPovertyAlleviation.pdf>)

⁹ The SCP Handbook for Policy Makers covers the evolution of SCP in international policy, including the instrumental Rio 1992 UN Conference and the development of Agenda 21; the Johannesburg 2002 World Summit and the adoption of the Johannesburg Plan of Implementation; the Marrakech Process with global and regional roundtables and international Task Forces to identify priorities and potential solutions towards the development of the 10_year Framework of Programmes on SCP that was finally adopted at the Rio+20 conference. See (UNEP 2014) under final section with Reading List.

¹⁰ Brief prepared by Lewis Akenji and Magnus Bengtsson

MYTH # 2

Informed Consumers will Consume Sustainably

The myth is that individual consumers are the most responsible for sustainable consumption. Simply by providing them with information about the social and environmental consequences of their consumption choices, consumers themselves as rational actors will change their behaviours and make more sustainable or green choices. But the irrationality of behaviour and our susceptibility to a wide variety of factors that influence our decision making is well documented by behavioural economists and social psychologists¹¹.

I. Effects on Policy

One consequence of this myth is that government strategies for sustainable consumption have mainly focused on raising awareness of consumers and appealing to them to buy green or eco-labelled products. This approach, which fails to address the drivers and influencing factors of why people buy products and services, has had very limited effect. While consumers are becoming more aware about sustainability, and, in fact, want to behave in a responsible manner, there is also evidence that just raising consumer awareness and developing green labels alone has not been successful in mitigating unsustainable consumption.

Sometimes there are simply no green or sustainable alternatives to products, or they are not readily accessible. Government consumer-focused awareness campaigns can also easily get drowned out. Consumers are subject to sleek, professionally developed advertising by well financed enterprises that incessantly encourage them to consume more and more, making the sustainable alternative less attractive, and those that live more sustainably to seem like an odd minority in society.

Government awareness-raising campaigns easily get drowned out by sleek professionally developed advertisements by enterprises that incessantly encourage consumers to buy more and more, making the sustainable alternative less attractive and sustainable consumers to seem like an odd minority in society.

A focus on increasing the numbers of purchased sustainable products can lead to the 'rebound effect' – the tendency for consumers to buy more of, or bigger products under the false assumption that because they are "green" they have no effect on the environment or will offset other consumption impacts. Cumulative increase in volume of consumption of a "green good" leads to an increase in demand for resources and waste generation. In fact, consumers, producers and policymakers must learn to look at consumption through life-cycle thinking, where our consumption of every single product or services ("green" or not) is examined on the basis of resource efficiency and environmental impacts.

¹¹ See for example "Predictably Irrational: The Hidden Forces That Shape Our Decisions" by Dan Ariely.

II. Underlying Misconceptions and the Reality

Misconception	Reality
<p>Since consumption involves purchasing decisions, the action of the consumer should be the natural focus where change should be demanded.</p>	<p>While consumers carry out the actual purchasing and disposal of the final product, the most influential decisions on the product are made at earlier stages, including investment decisions, design of the product, choice of material used, the size/quantity of each unit, design of production process, product packaging, etc. These all contribute to the (un)sustainability of the product, sometimes even more than at the consumption stage.</p> <p>Consumers are not the most powerful stakeholders in the product value chain; investors and brand owners tend to have commanding authority over which and how products are designed, manufactured, and distributed.</p>
<p>People will start consuming sustainably when provided with the right information and incentives.</p>	<p>Health professionals will attest that people do not always act in a rational manner and the same applies to the environment. A knowledge-action gap is widely observed in societies where a majority of the citizens are aware of the consequences of their decisions, but still act to the contrary. The market has developed very effective ways of emotionally manipulating people towards consumerism. Behaviour – even when sustainable products are available – is also affected by the following social/psychological factors Gifford (2011):</p> <ul style="list-style-type: none"> • <i>ideologies</i> (“I should be free to buy what I want” or “Technology will solve environmental problems”); • <i>social norms</i> (“I’ll look strange if I do it” or “why should I do it if they don’t?”); • <i>‘lock in’</i> to unsustainable capital (“Well, I already have the car so I should make use of it”); • <i>mistrust</i> or denial (“Those eco-labels are just a marketing ploy!”); • perceived <i>risks</i> of sustainable consumption (“what if the photovoltaic cells don’t work reliably?” or “won’t my colleagues think I’m poor if I take the train?”) • <i>perception</i> that their actions won’t make a difference (“If no one else is doing it, what difference could I make?”). • <i>Advertising</i> (“You’ll be happier with these products” or “Your phone is outdated”).
<p>Government advocacy of sustainable consumption is excessive intervention in private households and is against the citizen’s freedom of choice.</p>	<p>Government has historically affected private consumption choices; in fact it is the role of the government to do so! For example, governments regulate private use of firearms and drugs in the interest of public safety and health; they subsidise fossil fuels to make them more affordable. In the interest of sustainability, government can and should also take action by employing sustainability criteria to edit out unsustainable consumption options from the market and to improve the availability and accessibility of more sustainable ones.</p>
<p>The market mechanism will ensure that, with enough demand for green products, unsustainable products will get phased out.</p>	<p>Consumption is heavily predetermined by design of physical infrastructure. When, for example, government prioritises highway construction over railway lines, bus routes and bicycle lanes, it is proven to encourage private car use. Since government is responsible for either directly developing public infrastructure or granting permits for development of private infrastructure, it plays a strong role in ensuring design for sustainability. Current economic momentum and (present and planned) infrastructure that favours unsustainable practices make it more difficult for the sustainable alternatives to be developed and mainstreamed.</p>

III. Approach to Solutions

- Government still needs to educate and empower consumers, but this should go beyond 'information'. Campaigns should also address other behavioural and emotional factors involved in purchase decisions, such as social norms, incentives, trust, perceived risks, and so forth.
- Government should address the aggressive advertising of goods and services that are harmful to health or the environment, ensuring partnerships with sustainable business roundtables that involve advertising agencies and consumer rights groups. Examples for this have been advanced in public health areas such as smoking and drunk driving, but similarly could be adopted for advertising to promote pro-environmental behaviours.
- As well as educating consumers of all ages through formal, informal and non-formal education channels, there should be programmes to educate and empower other stakeholders that play a role in influencing consumption. Capacity-building for businesses and policymakers is especially important. In addition, social institutions (e.g. religious institutions, schools, etc.) that shape values and practices should be involved and communities should be encouraged to find local sustainable solutions.
- Given the critical role of infrastructure in directing consumer behaviour, infrastructure development should prioritise the most sustainable options. Examples include more bicycle tracks and support for public transportation (e.g. Bus Rapid Transit systems), higher efficiency standards for building construction, etc. Government should require utility companies and providers of public services to make the more sustainable options the default ones, and nudge consumers towards those.
- Just as in regulation of certain goods in the interest of public safety and health, government should develop sustainability criteria to regulate unsustainable production. This includes setting minimum sustainability standards below which products are not allowed in the market. As well as editing out the "bad" choices, there should also be incentives for development of more sustainable options.
- As the largest consumer, government should lead by example and practice sustainable public procurement. This would send market signals of the direction government is encouraging, and also generate a market momentum towards more accessible and affordable sustainable products.

Recommended Reading

- Lewis Akenji, 2014. Consumer Scapegoatism and Limits to Green Consumerism. *Journal of Cleaner Production*, DOI: 10.1016/j.jclepro.2013.05.022
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MYTH # 3

Economic Growth Guarantees Well-being for All

It is commonly believed that the welfare of a country is closely related with its level of consumption activity, and that a growing economy will lead to improved quality of life. In line with this logic, many governments devote much of their efforts to maximising growth of the Gross Domestic Product (GDP).

GDP has come to play a far more prominent role in governments' decision-making than was originally intended. It has mistakenly become regarded as a general measure of welfare and used as a measuring stick for any given country's progress from quarter to quarter and year to year. In reality, the relationship between a country's level of economic activity – measured as GDP per capita – and its welfare is far from straightforward. A large number of other factors strongly influence how well a country as a whole is doing and the quality of life of its citizens.

I. Effects on policy

The obsession with GDP has a number of serious consequences, including pollution and environmental degradation, overconsumption of natural resources, and widening income gaps. These social ills that typically result from strongly growth-oriented development are not reflected in GDP. They therefore tend to be ignored or their significance underplayed. A preoccupation with GDP growth also leads to short-sighted decision making.

This is because GDP only measures current economic activity and does not reflect on how this affects the conditions for future development and prosperity.

A preoccupation with GDP growth leads to short-sighted decision making. GDP only measures current economic activity and does not reflect how this affects the conditions for future development and prosperity.

Growth policies are often motivated by the need to reduce poverty. In reality, it is often the poor that suffer the most from strongly growth-oriented development. The benefits of growth tend to go mostly to the rich and sometimes the middleclass while poorer groups – those with the greatest unmet needs – see little improvement.

The result rising inequality and income gaps is social tension and often increasing crime rates. At the same time, the poor are often hit the hardest by environmental degradation. In addition, many of the lowest income and most vulnerable

populations depend on eco-system services such as forests, rivers and resources taken directly from nature for their livelihoods. When these get polluted, excessively used, degraded or destroyed – or when the poor are driven away from the land they have been living off of – they have few options available and often end up in urban slums.

II. Underlying misconceptions and the reality

Misconception	Reality
GDP/capita is a measure of welfare	The GDP indicator was never intended to be used as a welfare measure. GDP is basically a measure of the economic value of a country's production. It is unsuitable as a welfare measure since it does not reflect changes in a country's resource base or how wealth is distributed.
GDP growth is a good proxy for development.	The relationship between GDP and development indicators is complex. The example of life-expectancy shows that there are huge differences between countries at similar levels of economic development; that it is possible to make significant progress with modest economic growth; and that growth does not automatically lead to improved health and longer lives.
Countries can "Grow first and clean up later". Heavy pollution and high resource consumption are unavoidable stages of development.	Local environmental problems, such as pollution of air and water tend to worsen at early stages of development but improve as countries get richer. However, for global environmental issues like climate change and overuse of resources, little or no improvement can be seen even in the most advanced countries. It should therefore be a high priority for developing countries to take early action and avoid establishing resource-hungry and carbon-intensive patterns of production and consumption similar to those of the rich countries.
Growth generates jobs so in order to reduce unemployment countries must pursue growth-oriented policies.	Growth generally increases job opportunities but there are many cases where countries have experienced "jobless growth", or where the quality of the jobs created has had little additional benefit to society. Other factors than growth (for example good education and vocational and skills training, strengthening of social ties) play significant roles towards meaningful engagement.
Growth is like "a rising tide that lifts all boats", and the benefits of growth trickle down to everyone in society.	In many countries, including in Asia, growth has led to rapidly increasing inequality. Already wealthy households have become much richer while large groups at the bottom of the income ladder continue to see little or no improvement, diminishing prospects of social mobility and disproportionate burden of environmental problems.

Growth and institutional lock-in

Adam Smith, one of the fathers of modern economics, believed that economic growth was a phase that countries would go through when they built up their infrastructure and capacity for industrial production. After this phase, there would be no point in further growth in economic activity. However, over time, countries have developed institutions and systems that demand or require growth for their stability. In developed countries, institutions like pension funds, mortgage schemes, stock markets, and labour markets are all designed for an ever-growing economy. When the economy stagnates or goes into recession these systems face serious challenges. For governments it is convenient with economic growth because it reduces the demand for income redistribution; with a shrinking economy

It is essential that developing countries, still in the process of building up many of their institutions, learn from the growth-related challenges that developed countries are currently facing and try to think ahead.

governments would need to intervene more forcefully to redistribute in order to protect low-income groups – something that is politically very challenging. The high levels of accumulated government debt in many countries further lock in the growth-obsession– with a growing economy and a strong currency a government can increase tax revenues and more easily pay interests and reduce the level of debt.

It is essential that developing countries, which are still in the process of building up many of their institutions, learn from the growth-related challenges that developed countries are currently facing and try to think ahead to develop policies focused on stable and resilient economic progress, rather than top-speed economic growth every quarter.

III. Approach to solutions: towards a broader view of societal well-being

A more nuanced understanding of the role of growth is sorely needed. Growth should not be the overarching policy objective of governments, but one of the tools that can be used for achieving societal objectives, such as employment opportunities, decent housing for low-income households, good public health care, quality education, and equal opportunities for all. Growth in itself does not realise such objectives. There is a crucial role for government policies - including policies that lead to reduced economic growth.

“Distinctions must be kept in mind between quantity and quality of growth, between its costs and return, and between the short and the long term. Goals for more growth should specify more growth of what and for what.”
Simon Kuznets

The policy community in each country – including politicians, government officers, and policy advisers – could publicly declare that GDP has significant limitations as a welfare indicator and that GDP growth should not be used as the overarching policy objective. They should underscore the need for a broader set of indicators for assessing policies and for monitoring progress. Simon Kuznets’ words from 1962 remain as relevant today as they were when they were written: “Distinctions must be kept in mind between quantity and quality of growth, between its costs and return, and between the short and the long term. Goals for more growth should specify more growth of what and for what.”

One of the priority actions for governments is to establish more integrated indicator systems to guide policymaking, that do not only focus on economic indicators, and integrate environmental and social measurements too. These indicators should provide more adequate information on the development status of a country and how sustainable that development is. While many countries use GDP as such a central measure, seeing the limitations of GDP growth has caused several countries to explore social and ecological well-being as a positive way forward - one that would direct central planning and development.

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- Nanak Kakwani and Ernesto M. Pernia, 2000. What is Pro-poor Growth? *Asian Development Review*, vol. 18, no. 1. 2000. Asian Development Bank
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- Robert Costanza et al. 2014. Development: Time to leave GDP behind. *Nature* 505, 283–285 (16 January 2014) doi: 10.1038/505283a

MYTH # 4

Small Environmental Actions Lead to a Sustainable Society

The myth is that small pro-environmental actions - such as changing to energy-efficient light bulbs, using less water, using a reusable shopping bag, etc. - will lead to a paradigm shift to sustainability.

It is worth acknowledging here that most environmental actions count, and people should be encouraged to continue to take actions and make necessary changes in their behaviour and shift towards more sustainable consumption patterns and lifestyles. It is a serious problem however that governments tend to depend on these small, incremental changes to achieve a sustainable society.

I. Effects on Policy

The main consequence of this is myth is the extent to which it has limited the ambitions of sustainability strategies and actions. They get drowned by eco-labels, campaigns with “small, painless” actions which people can easily take – e.g. to keep car tyres well inflated to reduce fuel consumption. These are all relevant, but limited in impact compared to the magnitude of the environmental problems to be solved. A strong sustainable consumption action, for example, in the area of transportation could be: limiting the private car road network to a third the density of public bus routes, railways and bicycle tracks. Private car use tends to grow (or fall) in proportion to road space and related infrastructure provided.

In Asia, most people mainly rely on public transportation; it thus makes sense to prioritise development of quality infrastructure and ease access to public transportation systems over expansion of roads.

Reluctance to undertake more ambitious and progressive action can be attributed to the momentum of traditional institutions - hardwired to concepts like economic growth, market competition, and top-down governance. They thus fail to grasp the magnitude of the unsustainability problem or lack the capacity to take bold action against such emerging issues. There is a legitimate concern among government planners that drastic changes will have uncertain outcomes and might make decision makers unpopular. Yet there is also the misguided fear that strong, sustainable consumption policies will not be accepted by citizens. Still, effective governance is measured in how government responds to the needs of the people and plans for the future; SCP presents this strategic planning framework for long-term prosperity. To harness this would need bold transformative action, rather than small incremental and peripheral activities.

SCP presents a strategic planning framework for long-term prosperity. To harness this would need bold transformative action, rather than small incremental and peripheral activities.

II. Underlying Misconceptions and the Reality

Misconception	Reality
Small, painless actions by otherwise reluctant people are “entry points”, and people eventually start behaving sustainably.	<p>There is some evidence that collective actions by individuals could have a positive impact (although that impact is often anecdotal and exaggerated). Still, government has a critical role in harvesting these small opportunities: pro-environment actions can only be sustained or scaled up if a broader culture of sustainability is developed and institutionalised, and true sustainability driven innovation is fostered. In this case, these actions can contribute and become part of the norm, supported by the necessary systems and infrastructure.</p> <p>More impact is easily observed with bold, decisive action at a broader societal scale.</p>
People who buy green products tend to be sustainable in other activity domains.	<p>People acting more sustainably in one area (e.g. buying green products) don't necessarily act sustainably in all areas (e.g. buying green products <i>and</i> recycling <i>and</i> being energy efficient...). This could be related to convenience, lack of knowledge, costs, lack of infrastructure, etc.</p> <p>People also tend to think, “I have done my part or what I can for the environment” in one area (using energy efficient bulbs) and then upsetting those environmental gains in other areas (taking regular airplane flights).</p>
Strong sustainability measures by government will be met with strong objections; people fear this will reduce their options of becoming wealthy.	<p>This myth has been debunked several times, but it keeps creeping into policy discussions. There is empirical evidence that people take strong pro-environmental actions if the measures are justified, and if the distribution of responsibilities is seen to be fair. Research shows that citizens feel left out when the extent of the environmental problem is not fully communicated to them, when government policy seems to be circumventing the core of the issue, and when the system is seen to be protecting the rich and politically-connected, rather than catering to the well-being of citizens and future of society.</p> <p>Surveys all across Asia show that people welcome new economic prospects, but are very concerned about the widening inequality in society, the environmental damage, and future prospects for their children and grandchildren.</p>
Over time, taking small environmental actions will add up to a substantive measure.	<p>This misconception stems from the tendency for policy makers to calculate sustainability gains in relative terms – relative to no gains at all! This approach holds up the unsustainable business-as-usual scenario as the default, bar a few quick fixes. Yet, while sustainability initiatives are growing, the unsustainable ones are growing at a faster rate, cancelling out all the gains. Relative gains do not solve the problem if the whole system remains unsustainable. A relatively high number of waste recyclers for example would be of no help if at the end the amount of waste generated overwhelms the system!</p> <p>In addition, there is an element of time. While it is conceivable that attitudes would gradually change (this tends to take two generations), at the current rate of non-renewable resource extraction and greenhouse gas emissions, there is hardly time to rely only on small individual, incremental actions.</p>

III. Approach to Solutions

There are multiple perspectives from which to address sustainability, one of which is the magnitude of the issue. This combines: the urgency (how soon?), the scope (how many people, places, are vulnerable?); and the intensity (to what degree is the potential damage?). The magnitude of the unsustainability problem demands bold government action, beyond small incremental steps.

Government should form broad coalitions of stakeholders – citizens, consumer organisations, businesses, religious institutions, government agencies, schools, etc. - to participate in the problem diagnosis, and be brave and open to having the current system challenged. Stakeholder participation encourages buy-in from them; an additional benefit is that the stakeholders get to acknowledge the urgency, scope and intensity of the problem, which facilitates implementation of bold policy measures.

Strategy should present a central rallying course for action.

Recommended Reading

- Chandran Nair, 2011. *Consumptionomics: Asia's Role in Reshaping Capitalism and Saving the Planet*. Infinite Ideas, Oxford.

Government should form broad coalitions of stakeholders – citizens, consumer organisations, businesses, religious institutions, government agencies, schools - to participate in the problem diagnosis and to get buy-in from would-be policy implementers.



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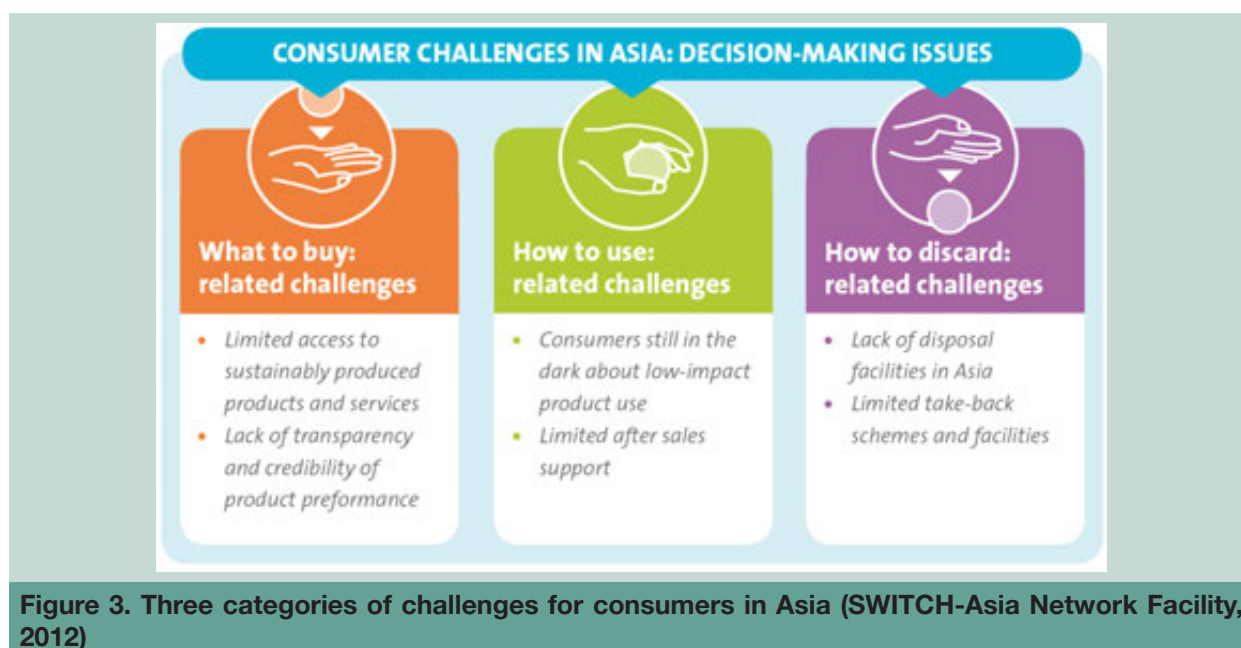
Part 3: Sustainable Consumption policy areas

Now that we have debunked some of the most common myths in Part 2, we will explore different policy options to support the shift to sustainable consumption in Part 3.

Policy theme 1 - Shifting Market Practices: Promoting Sustainable Consumption from the Supply Side

I. Introduction

Sustainable consumption cannot be achieved simply by urging consumers to change their shopping behaviour. What consumers buy, in what amounts, and from whom is not only a reflection of their preferences but depends to a high degree on what options are available on the market, how easily these options can be accessed, how socially acceptable they are, how they are priced, and how they are promoted. Even in cases where consumers are aware of the importance of sustainable consumption and willing to change their behaviour they easily face barriers, as captured in the figure below.



Addressing these challenges requires engaging the stakeholders who provide products and services – the brand owners, producers and retailers. They can contribute to sustainable consumption by changing their practices, including business models, product designs, marketing, and after-sales services. Without significant changes in how consumer services are provided and how products are designed there can be little progress towards sustainable consumption. Since it is difficult for individual consumers to make these changes happen governments have a key role to play.

Governments concerned with increasingly unsustainable patterns of consumption need to take coordinated action on two fronts: to curb the production and sale of products and services with high negative impacts on people, environment and local economies; and in tandem encourage the provision of more sustainable options. Shifting market practices in this way makes it easier for motivated consumers to behave more sustainably. More importantly, by editing the consumption options available, the consumption patterns of consumers who are less aware and motivated are by default directed to the more sustainable options.

This brief provides some ideas on how governments can promote sustainable consumption by addressing the supply side. This entails targeting products, product information, business models, distribution and retail, after-sales services, and advertising. The brief discusses mainly how to shift consumption patterns of high-income and middle-class households.

II. Relevance for Asia

New products and services are rapidly entering the developing Asian consumer market all the time, new forms of retail and distribution are popping up, and people are being bombarded with commercial messages and glorified images of consumerist lifestyles.

However, there are few safeguards in place to ensure that there are also sustainable consumer options. Many new products are highly resource intensive and energy consuming, they are often produced in global value chains and generate few benefits to the local economies where they are produced and those where they are eventually consumed.

Consumer markets in developing Asia are changing rapidly. New products and services and new forms of retail and distribution are popping up and people are bombarded with glorified images of consumerist lifestyles.

III. Policy Approaches to Shifting Market Practices

a) Products

Many governments regulate to some extent products allowed in the market. Such regulations can be motivated by safety reasons (e.g. cars need to be equipped with safety belts), health concerns (e.g. milk powder for infants needs to provide sufficient nutrition), environment protection (e.g. air-conditioners containing chlorofluorocarbons (CFCs) are not allowed). Such market interventions are commonplace and usually are regarded as legitimate. Similar restrictions could be used more widely to restrict consumer choices that are considered harmful.

Product bans are the strictest form of product regulation. Bans can be considered but the availability of substitutes and/or possible negative economic impacts need to be evaluated in the process. There are many examples of product bans related with environmental protection: e.g., most countries ban some chemical products, products made from endangered animals, and plastic single-use shopping bags are banned in some places. There are regulations against throw-away chopsticks in restaurants, and, in recent years, a number of countries (and major retailers) have banned incandescent light bulbs. While a ban might be seen as a drastic government intervention, it's a straightforward way to remove a socially undesirable and/or environmentally harmful product from the market.

If a ban is not necessary, the government can require producers to meet certain **performance standards**. Such standards are commonly used for product categories such as: emission standards and fuel-efficiency requirements for cars, mandatory low-flow toilets in new installations, building insulation requirements, energy efficiency standards for household appliances, and requirements for products, such as office paper, to include a certain percentage of recycled materials. Governments can make more use of such mandatory product standards for removing the most undesirable consumption options and to provide better alternatives.

While governments can use bans and standards to edit out environmentally harmful products and services, they can also consider **stimulating innovation** to create more sustainable options. Investments in research and development (R&D) of the private sector can be redirected to focus on, for example, quality products that can be used for a long time, that can be repaired with standard tools, and that are made of easily recyclable materials. Governments can also provide incentives for innovators and entrepreneurs to develop such improved product options.

b) Product information

Companies often provide information about their products and make claims about their products' performance. For products with lower environmental impact, such as energy efficient household appliances or organically produced food, it is essential to ensure that information from producers is correct. Loss of public trust in product

Loss of public trust in product sustainability claims can severely damage effectiveness of tools such as eco-labels, and destroy public confidence in possibility of more sustainable economic practices.

sustainability claims can severely damage the effectiveness of related tools such as eco-labels, and destroy public confidence in the possibility of more sustainable economic practices in general. Governments should therefore consider establishing a watchdog on misleading environmental product claims or an ombudsman function where consumers can complain. Many governments already have consumer protection departments, but these do not always address environmental product information.

Governments can also support consumer choice of products through three related information-based mechanisms (UNEP 2005):

- i. **Impartial product testing.** For example India's Consumer Education and Research Centre (CERC) is an independent laboratory that checks products against standards laid down by the Bureau of Indian Standards (BIS), the Prevention of Food Adulteration Act (PFA) and against claims made by the producers, and publishes the results.
- ii. **Independent product certification**, which can include system-based certification, e.g. ISO, or performance-based assessments of individual products/services. In Asia, a key challenge for product certification schemes has been the additional cost for the producer (especially SMEs). To overcome this market barrier, policymakers need to ensure that certification schemes support environmental and social responsibility codes, but also that these schemes make financial sense.
- iii. **Eco-labelling.** In Asia, eco-labels already play an important role in policy frameworks to implement sustainable consumption. They exist to reward and promote environmentally superior goods and services and offer information on quality and performance with respect to issues such as health and energy consumption. They also fit well into a multi-stakeholder policy framework since the development of criteria for labels and the acceptance in the market requires the involvement of a wide range of different parties, from government and business, to consumers and environmental organisations. Examples of eco-labels include: Green Choice Philippines, Green Label Thailand, India's Ecomark, and Green Food China.

Retailers also play an important role in providing information to consumers, due to their direct contact at the time of purchase. Retailers can explain the benefits of more sustainable products to consumers, including both environmental and social benefits for society, and economic and health benefits for the consumer. Retailers can also influence consumer choice by their product placement and pricing policies; by accepting lower profit margins for more sustainable products they can stimulate their demand. Governments can partner with retailers and encourage them to play a more proactive role in providing and promoting more sustainable consumption options. The role of retailers is discussed more under d) below.

c) Business models

It is also important to support innovative business models that contribute to sustainable consumption. One model with large potential is **servicizing**: to shift from selling physical products to selling services or functions. Leasing and rental businesses apply such a model in consumer markets. For products that are seldom used,

such as power drills and other specialised tools, leasing can reduce the need for private ownership and thereby reduce overall material consumption. Even products that are used daily can be shifted to services, such as bicycles, workspaces or even clothes.

Repair businesses and second hand shops play an important role in extending the use phase of products, reducing the need for new manufacturing, and yet providing jobs.

Repair businesses and **second-hand shops** play an important role in extending the use phase of products, reducing the need for new manufacturing, and yet providing jobs. Due to their positive contribution to sustainable consumption and the local economy these enterprises deserve government support.

Social enterprises are organisations that aim mainly to make positive contributions to the local communities where they are based; the profit motive is secondary. Such enterprises can make significant contributions to sustainability while still being profitable – their benefits should be highlighted and the model promoted.

d) Distribution and Retail

Retailers play an important role as the curators of product options. What they put on the shelves, how they set prices, and how they display and promote products greatly influence consumers' choices. It is very difficult for consumers to express demand for a products that is not available. It is therefore essential that retailers include more sustainable options in their assortment, and make these options attractive and affordable. Governments should encourage retailers to play this important role in a responsible way. This can be achieved through dialogue, voluntary agreements, and, where needed, regulation.

One aspect of sustainable consumption is to **promote local production and consumption systems** that strengthen local economies, reduce need for transport, and, where it's easy, to trace the origin of products. Consumer markets in Asia are currently moving away from such systems to large-scale, often global, production systems. Governments should support the local options, for example by providing space for farmers' markets in attractive locations in cities.

What retailers put on the shelves, the prices they set, and how they display and promote products greatly influence consumers' choices.

Small-scale retailing – like the traditional family-run store – has difficulties competing with large-scale supermarkets operated by multinational firms. The disappearance of these small shops hurts the local economy. Studies in Europe have shown that the establishment of one large supermarket can wipe out hundreds of jobs. In addition, supermarkets usually carry products from brands with global supply chains rather than from local producers. Products sold in supermarkets also tend to use more packaging, contributing to growing volumes of waste. Out-of-town shopping centres that depend on cars can be especially unsustainable since they encourage extra driving. Governments should be careful in assessing the sustainability aspects of proposals to establish new supermarkets and make efforts to protect small-scale retailers and local markets.

Consumer co-ops, where consumers group together and buy directly from the producer, present an interesting model that could be more widely promoted and supported. By using their combined spending power and bypassing middle-men, consumer co-ops can cut costs. By establishing direct links to producers, such as farmers, consumers become more aware of the production conditions and can demand social and environmental improvements.

e) After-sales services

Most products sooner or later break down or get worn out. Traditionally, people have usually mended and repaired, but with the arrival of the modern mass-consumption culture, such practices are gradually disappearing. When products break down they mostly get thrown away and are replaced with new ones. This is partly due to changes in consumer attitudes, but also the result of poor after-sales services.

When products break down, consumers need to know what to do – where to go for repair or to purchase spare parts. Such services need to be easily available and reasonably priced. Producers and retailers should have the responsibility to provide advice on how to find reliable repair services and to ensure that spare parts are available. In order to protect consumers, manufacturers of long-lived products such as home appliances, mobile phones, etc., should also be mandated to offer long-term warranties and commit to replace or repair malfunctioning items.

f) Advertising

The amount of money spent on advertising is staggering! In 2014 the advertising market in the Asia Pacific region amounted to USD 173 billion, making this region the largest advertising market in the world. Advertising does not only promote the sales of individual products but also contributes to creating images of what constitutes a

good life and to shape people's lifestyle aspirations. In fact, advertising exposes individuals, particularly children and youth who are growing up in media-rich environments, to messages and images that promote models of unbridled consumption as the key to happy and fulfilling lives. Unfortunately, advertising fails to show the impacts of unsustainable consumption, which are extremely harmful, contributing to worldwide challenges like climate change. Given that mass consumption is a relatively new phenomenon in developing Asia and that many people have little related education, there are particular reasons in this region to study the effects of advertising critically and to take appropriate measures to avoid negative effects.

From a sustainable consumption point of view, there are good reasons to restrict the amount and types of advertising. This is already happening to some extent. Many countries have banned advertising of tobacco products and alcoholic beverages; some countries restrict or ban advertising targeting children; China has banned the use of certain words, such as "luxury" and "royal", in advertising. It is fully possible to introduce similar restrictions on advertising of other products with high negative impacts on health or the environment.

China has banned the use of certain words, such as "luxury" and "royal", in advertising. It is possible to introduce similar restrictions on advertising of products with high negative impacts on health or the environment.

In cases where advertising bans are considered too heavy-handed government interventions, it is possible to control advertising by taxation. An advertising tax can either be general, affecting all commercial messages, or targeted at the advertising of certain types of products. Sweden has such a tax in place, charging 3-8% depending of the type of media, and Hungary is currently considering an advertising tax targeting large news media.

Advertising can also play a role in the promotion of more sustainable consumer choices and behaviour. However, many advertising campaigns aimed at shifting consumer behaviour to sustainability have failed. Typically, only a minority of consumers are interested in products that are marketed as

"green" or "good for the environment". Messages promoting sustainable consumption need to be designed differently. Sustainable living and consumption must be presented as something desirable, something that people would willingly choose. Shifting attitudes in this direction cannot be achieved through a single campaign, no matter how well-funded. It's a long-term effort that needs work with all media and other forms of non-formal education.

Marketing campaign targeting China's middle class

The consuming class in China is exploding - from 300 million today, it will rise to 800 million by 2025. For this emerging middle class, the "China Dream" provides an alternative to the unsustainable conspicuous consumption lifestyle of the West. The China Dream, is translated as "harmonious happy dream" in Chinese. It celebrates personal health and respectful relationships. It realigns personal success with "living more, not just having more". The Joint US-China Collaboration on Clean Energy (JUCCE), an NGO accelerating the greening of China, is the central convener of a growing cross-sector and global coalition of contributors around a three-year plan to reshape social norms through branding of a new lifestyle story and to guide consumer behaviour through policies. The bad news is that we have a very small window to make the China Dream project a success. The average Chinese person's carbon footprint now equals a European person's, and is on track to surpass that of an American's within the next five years, by 2017. The time to breathe life into sustainable consumption in the largest consumer market is now.

Source: The China Dream Initiative (<http://jucce.org/chinadream>)

Recommended reading

- UNEP, 2005. *Advancing Sustainable Consumption in Asia: A Guidance Manual*. UNEP. Available at: <http://www.unep.fr/shared/publications/pdf/DTIx0742xPA-AdvancingAsia.pdf>
- The Danish Environmental Protection Agency (website), Background paper on “The role of retailers in the transition towards Sustainable Consumption and Production”. Available at <http://eng.mst.dk/media/mst/68980/Role%20of%20retailers.pdf>
- Oliver Salzmänn et al., 2006. *The Challenge of Sustainable Consumption and the Role of Business as a Solution*. Available at http://m.imd.ch/research/publications/upload/CSM_Salzmänn_Fecht_Steger_Inoescu_Somers_WP_2006_09.pdf

Policy theme 2: Policy Integration for Mainstreaming Sustainable Consumption

I. Introduction

How should governments integrate sustainable consumption into their process of planning, policy formulation and implementation? That is the main question addressed in this brief. It also discusses two additional aspects of how to effectively organise the work to promote sustainable consumption: the need to involve stakeholders in the policy process, and the important role of science and research.

Integration within the government

Most line ministries and government bodies contribute in some way to shaping citizens' life-style choices and patterns of consumption; the government itself is typically one of the biggest consumers through its purchasing. Governments influence consumer behaviour in many different ways, for example by regulating what products are allowed on the market, by influencing prices through taxes and subsidies; by controlling the retail sector through city planning and licensing; by educating citizens about environmental issues in schools; and by providing information to consumers, or establishing rules that require such information to be provided. Although it is often the government ministry for the environment that is responsible for leading the work on sustainable consumption, it is unrealistic to expect that this ministry by itself can undertake the huge challenge of making consumption patterns sustainable – not at least since consumer behaviour is heavily influenced also by economic policy, infrastructure development, urban planning, etc. It is therefore essential that all key government ministries share a coherent and well-coordinated understanding of sustainable consumption and integrate its objectives into their policies and plans. This can be achieved across government if SC is embedded within a national sustainable development strategy or central planning instrument for example.

II. Relevance to Asia

Sustainable consumption is a relatively new policy concept for developing Asia. Therefore it does not have an established “home” within governments. It runs the risk of falling between the cracks; of being regarded as a difficult extra task that no-one wants to be in charge of.

Moreover, in most Asian countries there is a deep-rooted misconception that sustainable consumption is an issue only for rich countries and that there is an inevitable conflict between sustainable consumption and poverty alleviation. This is based on a failure to acknowledge the high consumption of a rapidly growing wealthy share of the population and a misunderstanding of the fact that under-consumption by the poor is also unsustainable. Sustainable consumption policies need to address both of these challenges.

In addition, sustainable consumption is a policy area where there is limited documented experience, with few established models and tools that can be readily applied – especially in the context of developing countries. These factors constitute serious obstacles to a quick and effective uptake by Asian governments. Policy integration is the tool for overcoming such obstacles and speeding up the process.

III. Approaches to Policy Integration

Policy integration is a challenge for all governments irrespective of level of economic development. Approaches differ from country to country, especially since each has its own administrative culture and established way of organising the work of the government. However, based on research and on the experiences of many governments, some recommendations are presented below.

a) Commitment and leadership from the highest level is crucial

Effective policy integration for sustainable consumption is easier to achieve if there is a strong commitment and visible leadership from the highest political level. It can take time and considerable effort to build the political will of parliamentarians and ministers to show such commitment, but these efforts are investments that eventually pay off.

In the typical case, the process to integrate sustainable consumption starts with a few committed individuals within the ministries who act as champions. The significance of these champions cannot be emphasised enough. They are the ones who explain the importance of sustainable consumption to colleagues in the government, try to do away with misunderstandings, and demonstrate that a shift to sustainable consumption is in the country's interest. In this effort they need to establish a network of likeminded people and agencies, both within and outside of the government. One of the most important objectives of such networks should be to ensure a strong buy-in from the highest political level. Once a commitment at the political level has been achieved it is important that it is widely communicated – if possible both within the government and to society at large. Some highly visible action that attracts media attention can help getting the message out.

In most Asian countries, the misconception that sustainable consumption is an issue only for rich countries is based on a failure to acknowledge the high consumption of a rapidly growing wealthy share of the population and a misunderstanding of the fact that under-consumption by the poor is unsustainable.

b) A shared understanding of sustainable consumption should be promoted

Many line ministries are not familiar with the concept of sustainable consumption and officials may not see how it is related to their policy area. An important part of the policy integration process is therefore to engage with all the main ministries to explain the concept, how it relates to their mandate and goals, and give examples of how it can be promoted in practice. This engagement can be easier if there is a clear commitment from the highest level, as discussed above.

Key people in this process are Directors, Joint Secretaries and officials at a similar senior level. It is essential that they have a reasonably clear understanding of sustainable consumption, how it can contribute to citizens' well-being, and how it relates to their own ministry and the section they are in charge of.

c) An inter-ministerial coordinating body

Many countries have found it useful to establish a coordinating body for sustainable consumption (or sustainable consumption and production) within the government. Given that efforts to shift consumption patterns need to reach across individual ministries, such a body should be placed at a high level. This could be as part of the Prime Minister's office or directly under the President. The head of the coordinating body should be a key government official with a mandate to approach and effectively engage line ministries.

For countries that have a separate ministry or commission for planning and coordination, it is worth considering to have the coordination mechanism within this organisation. If a coordinating body for sustainable development in general – such as a sustainable development commission – already exists, it might be a good idea to assign the coordination responsibility also for sustainable consumption to that body.

d) Effective tools for coordination are necessary

Effective coordination of the government's work requires that the coordinating body is given sufficient resources in terms of staff, finances, and authority to approach and negotiate with line ministries.

In order to be effective, a sustainable consumption strategy should be developed in close consultation with all key government ministries and agencies so that they feel ownership and responsibility for implementation.

A good way to start can be to develop a separate strategy on sustainable consumption (or sustainable consumption and production). Such a strategy needs to have clear targets and timelines, list policy interventions that are likely to be effective, identify the government bodies responsible for implementation, and include a mechanism for regular monitoring and review. In order to be effective, the strategy should be developed in close consultation with all key ministries and agencies so that they feel ownership and responsibility for implementation. A wider consultation with civil society, local authorities, the private sector, and academia is also essential for the strategy to be realistic and regarded as legitimate by stakeholders.

While developing a stand-alone strategy on sustainable consumption can be a good starting point, the longer-term goal should be to have sustainable consumption integrated into the regular work of the government. A first step in that direction can be to make sure that consumption is fully reflected in issue-based strategies related with the environment - such as on climate change, water, and biodiversity. Currently, many such strategies pay only scant attention to the need for changes in consumption patterns and lifestyles.

To integrate sustainable consumption into the regular work of the government, it should be fully reflected in issue-based strategies such as those on climate change, water, and biodiversity - and become part of the regular planning and budgeting process.

Deeper integration requires that sustainable consumption becomes embedded in strategies of sectors other than those primarily addressing the environment - such as urban development, poverty reduction, energy, transport, and agriculture. In countries that have overarching development plans, such as five-year plans, sector strategies are often elaborations of these development plans. One of the goals of policy integration can be to have sustainable consumption explicitly included in regular development plans, with clear targets and implementation arrangements.

At some point, it can be useful to conduct an assessment of major government organisations from a sustainable consumption perspective. The objective is to assess how these organisations influence current consumption patterns and how their activities could contribute to more sustainable consumption.

In order to be fully integrated sustainable consumption needs to become part of the regular planning and budgeting process and of the processes to prepare new legislation and regulations.

e) Stakeholder involvement is key to success

Governments need to ensure that their sustainable consumption policies have support, or at least acceptance, from the citizens. This is hard to achieve without consultation with various stakeholders. Involvement should ideally take place at all stages of the policy cycle: in the problem identification, in the selection of policy approach and tools, in the implementation, and in the monitoring and evaluation.

The objective of stakeholder involvement is not only to build acceptance for the government's policies but also to make sure that the selection and design of policy interventions is based on best available knowledge. Stakeholders have knowledge and experiences that can add value to the policy process.

f) Actions should be based on best available knowledge

Governments need to base their policies on the best knowledge available. This means that they have to establish ways to involve academic researchers in the policy process. Sustainable consumption is a complex area and there are many misconceptions on how it can be achieved. In order to avoid basing policies on faulty

assumptions governments need to engage expertise from a range of academic disciplines. One methodology is a life-cycle based hotspot analysis. By analysing the economy and related resource use and emissions patterns, experts can identify hotspots in the economy with disproportionately high environmental impacts to focus on.

This in turn requires the government to earmark some of its research funding to research projects on this topic.

Basing policy on scientific expertise

Governments use different mechanisms for harnessing scientific expertise. A common model is to establish **time-bound committees** with a limited number of experts who meet on a regular basis to discuss a specific topic. Another model is to organise a broader annual event, such as a **science-policy dialogue** or roundtable. Such events can also often involve a wider range of stakeholders. A third model is to set up a permanent **scientific advisory group**. An additional way to engage researchers is to **commission a regular report** on consumption from a sustainability perspective. Such a publication can focus on the existing consumption patterns and the associated social and environmental impacts, trends, and emerging issues that may demand policy attention.

Facilitating a shift to sustainable consumption is a complex and challenging task and there are no blueprints on how to do it effectively. There is scientific knowledge available to guide policy formulation, but the understanding of sustainable consumption is far from complete. This means that there is a great need for experiments and pilot projects where different approaches can be tested on a limited scale. Academic researchers with relevant skills should be involved in the design and evaluation of such activities to extract key lessons.

Researchers can play an important role also in the assessment of policy outcomes. The government needs to know whether a new policy had the intended effect or not. This requires data collection and analysis, and is best done by independent researchers.

Recommended reading¹²

- UNEP, 2009. *Mainstreaming Sustainable Consumption and Production and Resource Efficiency into Development Planning*. UNEP. Available at <http://www.rona.unep.org/documents/partnerships/SCP/MainstreamingSCPintoDevPlanning%5B1%5D.pdf>
- UNEP, 2008. *Planning for Change Guidelines for National Programmes on Sustainable Consumption and Production*. UNEP. Available at http://www.unep.org/pdf/UNEP_Planning_for_change_2008.pdf
- The Life Cycle Initiative website: www.lifecycleinitiative.org

¹² Brief prepared by Magnus Bengtsson and Lewis Akenji

Policy theme 3: Learning from Traditional Sustainable Consumption Practices

I. Introduction

Modern society comes at the expense of some values and traditions that have been practiced and perfected over generations. Losing them is not just a matter of losing peoples' cultural identities; they become replaced with modern practices that are likely to be more consumptive and less sustainable. Thus it is important to examine some of the traditional practices with a view to preserving them, reinterpreting them in the modern context, and up-scaling them where necessary and possible. Examples include community forest management to prevent excessive exploitation; reuse and recycling of everyday objects to reduce waste; and food or money saving cooperatives.

II. Relevance to Asia

Asia is at the cusp of a socio-economic change that could easily redefine consumption and production values and practices. The speed and direction of this change make sustainable practices particularly vulnerable, and yet these practices are some of the reasons why Asian societies have lived in fairly sustainable ways for millennia.

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New technologies and mass production, for example, being introduced in Asia demand more resources, encourage more individualistic lifestyles and lead to increasing waste generation. Yet these technologies, even when cheap to acquire, are quite often expensive to maintain, needing foreign expertise, and restrict or replace local ingenuity.

Modern western practices that are influencing the Asian transition – reflected in capitalism, emerging political systems, social values, and adoption of western science and practice – are not always compatible with Asian values. These ideological frameworks can marginalise some sustainable practices such as non-monetary exchange of goods and services, resale of used products for reuse, as well as being associated with the

externalisation of environmental and social costs. Capitalism and consumerism, for example, are associated with generating wealth at the macro level, but also with large income and social inequalities among individuals in society.

As Asian economies shift towards capitalist values and practice, it is predicted that an economically rich continent will emerge. However, policy makers can do their part to minimise the risks of loss of cultural identity, and an emergent society in which well-being has become subservient to economic growth and where unsustainability blights the prospects of future prosperity. Bringing this awareness into policymaking, and using these values as a guide, could be very instructive to the modern Asian policymaker.

III. Policy Approach

The following are examples of some government policy objectives proposed in this brief: learning from sustainable traditional consumption practices, protecting the population segment still living within ecological limits, and promoting micro enterprises.

- a. **Learning from traditional practices** that are less resource intensive, less polluting and promote individual and social well-being. Typically these practices are found in rural areas. For example, here small-scale, traditional farming practices define the physical landscape

and the lifestyles of the people. Subsidies for large industrial farms, monoculture, and other development projects can threaten these values and practices, take away jobs from rural areas and drive youth into cities. Agriculture and rural development policies are key to addressing these concerns, as well as ownership of land titles, and support for farmers and food cooperatives.

But traditional practices are not only for rural areas. Long working hours for example, a growing phenomenon in cities, affect how much people depend on convenience foods instead of cooking at home or spending time with family. Practices such as product reuse and trade by barter are threatened by subsidy schemes for cheap, short-lived products, difficult-to-repair products, and glitzy shopping malls that drive up prices and take away business from repairers, craftsmen, and local traders. Licensing and supporting local markets in strategic locations in cities, and requiring all shopping centers to reserve a percentage of floor space for repairs and sales of used goods, etc., would support continuity of these practices.

Another area of traditional practice is the tendency of traditional omnivore diets to use the entire animal that had been slaughtered for food, making accessories, and later as fertilizer. This reduces waste and improves the productivity of animal production. This can be encouraged by campaigns related to the LOHAS (lifestyles of health and sustainability) movement sweeping across Asia, and the encouragement of 'head-to-tail' dining.

b. Protecting the population segment living within ecological limits.

Although extremes of poverty and wealth are getting more pronounced in Asia economies, there is a large segment of the population still leading content lives, well within ecological limits. Instead of buying tumble dryers for laundry, they dry their laundry out in the sun, for example. They do not take bank loans to buy cars and TV sets, they buy food from local markets, and repair umbrellas when broken. Yet economic policies risk pushing these people into consumerist and less fulfilling "modern" lifestyles. Credit card schemes, consumer loans and other lending practices, should be tightened in banking policy; product warranties and reparability of products should be reflected in industrial policy; access to local markets, capacity building and transfer of traditional self-sufficiency skills (sewing, gardening, bicycle repair, etc.) should be ensured.

c. Promoting micro enterprises - very small individual-, family-, or community-owned businesses. As multinational businesses, corporations and megamalls take over and redefine the production and consumption policies and practices of emerging Asian economies, micro enterprises - smaller than small and medium sized enterprises (SMEs) - that have characterised local economies are seriously endangered. Travelling salesmen, repair shops, family-owned shops, embroiders, weavers and carvers, craftsmen, dyers, traditional leather tanners, are being pushed out of practice, and with them the livelihoods that have

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There is a large segment of the population in Asia still leading content lives, well within ecological limits. Instead of buying tumble dryers for laundry, they hang out and dry their laundry in the sun, for example.

Comprehensive micro-enterprise policies should be linked not only to economic policies, but also to poverty eradication strategies, employment strategies, and rural development.

depended on them, and the sustainability gains they have ensured. It is hard to overstate the need for comprehensive micro-enterprise policies in Asian economies. These policies should be linked not only to economic policies, but also to poverty eradication strategies, employment strategies, and rural development.

IV. Examples: reflecting traditional values in policy design

a) The *Mottainai* campaigns

One successful attempt to reintroduce “traditional” values for sustainability purposes is the *Mottainai* campaign in Japan. *Mottainai* translates, roughly, as “waste not” – a very traditional value. The Government of Japan has used the *Mottainai* concept to promoting its environmental policies, especially on the 3Rs (reduce, reuse, recycle) and has achieved notable progress. The Home Appliance Recycling Law which took effect in April 2001 required appliance producers and sellers to recycle TV sets, refrigerators, washing machines, and air conditioners. According to the Ministry of Environment, the target of recycling had been attained by 2006. At the same time, recycling ratio of other goods and materials, such as automobile, personal computers, mobile phones, plastic bottles or aluminium cans of beverages, and plastic trays of foods, also significantly increased.

Local governments launched effective campaigns using *Mottainai*. For instance, Aomori prefecture introduced the Aomori residents’ movement of *Mottainai* in 2009 with a few challenging targets including: reduction of per-capita amount of waste from 1,160 grams per day to 1,000 grams; and increasing the total recycling ratio in the prefecture to 25% by 2011. Reduction of plastic shopping bags was one of the effective measures to attain the above targets, as residents can easily contribute by just saying “no, thank you” to the seller. Gifu prefecture carried out a model project with the support of 1,000 households to try to cut household waste per month, resulting in over 6% of CO₂ emissions reduction from the participating households.

b) Community forest management in Viet Nam

Another example of reflecting traditional practice in policy design is in Viet Nam, where the aim was to revitalise a forest management practice in order to address the challenges of development. In 1996, the Government of Viet Nam enacted official forest protection regulations including lists of prohibited activities and penalties for violation. However, the regulations, prepared without sufficient consultation with the local people, faced implementation challenges from communities.

In 1998, the Social Forestry Development Project (SFDP) in Viet Nam, in cooperation with the government, launched an initiative to facilitate participation of the local population. A number of workshops, community meetings and stakeholder dialogues were held in more than 500 villages covered by the project. Both government officials and local populations developed capacity to analyse the forest resources - such as sketch maps showing the distribution of natural resources, identified in their local language names. Through such a learning and capacity building process, each village developed consensus on the sustainable use of forest resources and came up with their own approaches to forest protection and development, which were then submitted to the government.

The project succeeded in revitalising and adapting traditional ways of community forest resources management among diverse groups - such as those practicing rotating cultivations, or those who believe that the “spirits” living in the forest protect them. It also won the active participation of the local population in community forest management.

V. Point of caution on policy design

Discussions about traditional values and practices tend to provoke elements of nostalgia for the “good old days”. While this cannot be addressed within the scope of this brief, it is worth noting that: a) there have been substantial improvements in quality of life over time; b) not all traditional practices are sustainable; and c) some of these sustainable practices have already been lost, and others are becoming less feasible in modern socio-economic condition. Practices are deeply rooted in the specific social systems including hierarchies, religions,

etc. These systems undergo significant changes over time, both in positive and negative ways.

The ability for people to express their values relies on the enabling environment and physical infrastructure that supports practice. In societies where religion encourages fellowship in the community and vegetarian diets, for example, these values and practices cannot be upheld if religious institutions are weakened.

In developing strategies for protecting traditional practices, it is thus worth: assessing the social, cultural and ecological benefits of these values and practices; understanding why they may be going out of practice; and examining how they can be translated and adapted to modern societies. Policy makers will also have to challenge themselves to be creative in design of strategies. This may include exploring new ways of adapting old values. For instance, development of local currencies, time banks and food cooperatives are examples of creative ways that encourage local solidarity and new, non-individualistic ways of building wealth.

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For these traditional practices to succeed, and to engage major stakeholder groups, Policymakers must learn to involve, and rely upon the wisdom of non-formal sectors of society – traditional leaders, religious groups, cultural icons, etc.

Recommended Reading¹³

- Douglas Nakashima, K. McLean, H. Thulstrup, A.R. Castillo, J. Rubis, 2012. *Weathering Uncertainty: Traditional Knowledge for Climate Change Assessment and Adaptation*. UNESCO, and Darwin, UNU
- UNESCO, 2002. *Best Practices using Indigenous Knowledge*. United Nations Education, Scientific and Cultural Organization
- The World Bank, 1998. *Indigenous Knowledge for Development A Framework for Action*. Knowledge and Learning Center, Africa Region, World Bank

¹³ Lewis Akenji, Atsushi Watabe, and Magnus Bengtsson

Policy theme 4: Using Economic Measures to Guide Consumption

I. Introduction

Use of well-designed economic instruments can be effective in shifting consumption patterns – by discouraging harmful products, ensuring access to necessities of the poor, and stimulating innovation. Market prices do not fully reflect environmental and social impacts (known as *externalities* among economists), and therefore send the wrong signals to consumers. A cheap product that is consumed in large quantities can be costly in terms of the negative impact it has on the planet and society. Conversely, a basic necessity that becomes too expensive deprives the poor. Governments are in a unique position to make sure that prices better reflect externalities while expanding consumption opportunities for the poor.

II. Relevance to Asia

As the economy in Asia is changing, products and services that were previously available on a non-financial basis are becoming monetised – e.g. bottled water. Large-scale urbanisation also means people will face more time constraints and will have to increasingly pay for services (e.g. for commuting) and convenience products (e.g. pre-cooked, packaged foods). Economic policy instruments can discourage consumption patterns with high negative impacts and stimulate the provision of more sustainable options. Economic policies in a broad sense can also help expanding the consumption opportunities for the poor.

An unchecked emerging market can easily get skewed, with only the needs of the rich being catered for, and the risk that some necessary services and products, which were previously inexpensive or available at no charge, will be priced at unaffordable rates, putting them beyond the reach of the poor.

The middleclass in Asia is already large and is expected to continue to grow rapidly. Yet there are still many who live in poverty. There is also a risk that some necessary services and products, which were previously inexpensive or available at no charge, will be priced at unaffordable rates, putting them beyond the reach of the poor. Economic policy instruments can make sure that production is not only for the rich but also that basic necessities are made affordable to the poor.

III. Policy approaches

This section gives some examples of how governments can use economic policy instruments in a broad sense, including regulations of financial services and spending on public goods and services, to promote sustainable consumption. Examples are given for four sustainable consumption areas that are highly pertinent to Asia: environmental protection, equal opportunities to consume, consumer protection, and innovation for sustainable living.

a) Protecting the environment and health, and avoiding overexploitation of natural resources

Economic instruments are one of the main groups of policy tools that can be used in addressing the negative effects of consumption and production on the environment. One of the ideas behind using economic instruments is to increase the prices of “bads” (what society would like to see less of, such

Behind the idea of using economic instruments is to increase the prices of “bads” – what society would like to see less of, such as pollution and consumption of scarce resources – and to decrease the prices of “goods” – what society wants more of, such as job opportunities and investments in more sustainable infrastructure.

as pollution and consumption of scarce natural resources) and to decrease the prices of “goods” (what society wants more of, such as job opportunities and investments in more sustainable infrastructure). Such a shift in taxation from “goods” to “bads” is often called ecological tax reform or green tax shift. The following policy options can be applied in this case.

i. Taxes on natural resources and pollution

By charging a tax on the extraction of limited natural resources, or on the purchase of products made from such resources, governments can dampen demand. This also provides incentives for substitution – a shift from resources with high negative impacts to more benign alternatives. Similar taxes can be applied to emission of pollutants. This increases the prices of products and services associated with harmful pollution, and provides incentives for shifting to less polluting technologies.

Viet Nam is one of the developing Asian countries that have embraced environmental taxes. It recently introduced taxes on fossil fuels, plastic bags, ozone-depleting and climate-damaging refrigerant (HCFC), agro-chemicals, and some other chemicals. Initially, the taxes are set at a relatively low level and the expected impact on consumption is limited. However, it is an important step that the country has managed to build political acceptance for the principle of environmental taxation.

ii. Full-cost pricing and use charges

Many municipalities provide tap water, electricity, and waste treatment at prices that do not even cover the financial costs of providing these services. Such under-pricing hurts the municipal budgets and encourages wasteful consumption. Higher prices signal that resources are limited and stimulate investment in resource-saving appliances.

Congestion charges are another kind of environmentally relevant fee. Many cities have introduced such charges for private traffic in the city centre during peak hours. The results have often been encouraging, with improved air quality and reduced time spent in traffic gridlocks.

Protecting low-income households from full-cost pricing

A common objection to full-cost pricing is the negative impact on low-income households. However, such obstacles can be overcome, by designing a policy so that it has little negative impact on poor households. For water and electricity charges some cities apply block tariffs where households that use only small amounts pay very little (per m³ or kWh) while those that use a lot pay a much higher unit price. There are even cases where a limited lifeline amount of water is provided for free. It is also possible to introduce separate policies to compensate households that are negatively affected by full-cost pricing.

iii. Elimination of environmentally harmful subsidies

Many governments subsidise fuels, electricity and other commodities. The effect of this is exactly the opposite of resource taxes – it encourages high consumption by ignoring negative environmental impacts. Subsidies are often given under the pretext of supporting the poor but analyses show that it is often the middle-class that benefits the most from these schemes. Some countries, like Indonesia, have had some success in reducing fuel subsidies and replacing them with more targeted financial support for low-income households.

iv. Deposit-refund schemes

These schemes are used in many countries to increase return rates for used products at end-of-life. This reduces the amount of waste to be treated, reduces the risk of inappropriate dumping, and facilitates recycling. Deposit-refund means that consumers pay an additional fee at the time of purchase which is refunded when the used product is returned to a designated collection point. Products typically included in such schemes are: bottles and cans, batteries, tyres, automotive oil, and electronic products. Experience shows that deposit-refund schemes can be effective in reaching their objectives but that the costs for administration can be rather high¹⁴.

b) Providing consumption opportunities for all – reducing consumption-related inequalities

Opportunities to consume are highly skewed: large segments of the populations are unable to meet even the basic needs necessary for a life in health, safety and dignity; at the same time, inequality is growing in many countries – the differences between winners and losers are becoming more pronounced and visible, fuelling dissatisfaction and social tension. Governments play a unique role where they can address unequal consumption opportunities, mainly by expanding the opportunities of low-income segments. Some policy tools to address the situation are as follows.

i Progressive taxation

The main tool for addressing inequality is progressive taxation that redistributes wealth from the rich to the poor. Progressive taxes can be applied not only to incomes but also to, for example, housing and luxury goods. Taxes on income from capital, such as interests and profits from stock and bond markets, also tend to have a progressive effect.

In the 1950s and 1960s, when western countries experienced a long period of strong economic growth and improved standards of living, their taxes were generally highly progressive. This ensured that the expanded opportunities for consumption were shared by all income groups. A recent international comparison concluded that people living in countries with more progressive tax systems report higher levels of life-satisfaction.

ii. Public goods and services

Provision of good quality public services is another key area for addressing inequality and promoting equal opportunities. Public schools that are free of charge and free basic health care that is accessible to all are two of the most important services. Child-care services, affordable public transportation and sports facilities, public libraries, cultural events, and urban parks that are open to all are other areas where governments can expand consumption opportunities. Public provision of services can reduce the need for individual consumption. For example, public transport in the place of private vehicles, public parks providing opportunities for recreation, and public libraries reducing the need for ownership of books and other items that can be borrowed¹⁵. This benefits all income groups, but with more marginal benefit for lower-income and middle-class households.

¹⁴ In Asia, this has become an income earning activity for informal waste pickers and recyclers that collect recyclables from households. The project Informal Waste Pickers and Recyclers (IWPAR): Towards social inclusion and protection of informal waste pickers and recyclers (2011-2013), implemented by Enda and involving waste pickers in Viet Nam, Colombia, Madagascar, and Ethiopia produced instructive findings. For example, in Ho Chi Minh City, some 7000 tons of municipal solid waste are produced daily but only 5900 tons are collected and processed through the official channel. Popular waste pickers and recyclers represent approximately 3500 people (47% of whom are women) and contribute to more than 16% in waste collection. See <http://www.iwpar.org>

¹⁵ Some public libraries are shifting to lending of tools and electronic equipment. See, for example, the London Public Library: <http://www.londonpubliclibrary.ca/node/2365>

c) Consumer Protection

Consumer protection plays an important role in efforts to make sustainable consumption a reality. It is a broad concept that goes beyond the scope of this brief – here we only discuss policy actions related with financial services and the growing problem of consumer debt.

Prospects of increased and sustained well-being in Asia are being threatened by soaring consumer debt. Pushed by the economic crises in Europe and North America, international banks are moving into emerging Asian markets, fuelling a boom in short-term loans. In Asia, outside of Japan, car and motorcycle loans nearly doubled over the last five years to a record USD 220 billion; credit-card loans grew 90% to a record USD 234 billion. Non-mortgage consumer credit rose by 67% to \$1.66 trillion. Household indebtedness in Malaysia, pushed mainly by credit card and personal debts, has reached 77 % of its GDP.

Debt has played a strong role in family bankruptcies and the financial crises in the West. Experts now fear families are taking on more loans than they can pay back, or that the burden of repayment is taking away limited resources from low-income families. Most citizens in Asia are still naïve to these complicated financial schemes and governments have a responsibility to protect them by strengthening and enforcing consumer protection regulations. Examples of relevant policy instruments are discussed below.

i. Regulation of financial services

Resource-efficient consumption is strongly influenced by the financial system and the available types of consumer financing. China, Malaysia and Indonesia are beginning to realise the dangers of soaring indebtedness and are starting to rein in mortgage, credit-card or motorcycle lending. In 2012, Indonesia, for example, imposed a minimum down-payment for car and motorcycle loans to limit banks' credit risk and to ease consumers' debt burden. A financial system that promotes or facilitates rising debt also facilitates unchecked consumption, which places pressure on the environment as it does on economic stability.

ii. Ombudsman for sustainable consumption

Such an institution would be able to intervene against predatory financial schemes, as well as against lending packages that emphasise consumption patterns likely to push up social and ecological distress. In countries where a consumer protection institution is already in place this can be given additional responsibilities and resources to also cover sustainable consumption.

iii. Awareness raising and financial literacy

Government should also develop capacity building programmes for financial literacy to help consumers, while forcing financial institutions to bear responsibility for ensuring consumers have a full understanding of lending terms before signing. Home economics classes in schools should be mandatory and include elements of sustainable consumption and financial literacy.

d). Stimulating innovative practices on sustainable living

A shift to a more sustainable society requires innovative thinking and practical experiments. No blueprint exists on how to make this transition; it's easier to identify what we need to steer away from than to say what should come in its place. Under this condition, it is of vital importance to encourage and support innovative practices. These include: initiatives by households and communities that enable people to live well with limited negative

Families are now taking on more consumer loans, mortgages, and credit card debts than they can pay back, or the burden of repayment is taking away limited resources from low-income families. Most citizens in Asia are still naïve to these complicated financial schemes; governments have a responsibility to protect them.

Innovative community-based initiatives on self-provision of energy and food have large potential to make citizens less vulnerable to fluctuating market prices and intermittent supply. Such initiatives are feasible not only in rural areas, but also in cities and peri-urban areas.

impact; and unconventional business models that put value for society and the long-term perspective ahead of short-sighted return on investment.

For example, community-based initiatives on self-provision of energy and food have large potential to make citizens less vulnerable to fluctuating market prices and intermittent supply. Such initiatives are feasible not only in rural areas, but also in cities and peri-urban areas. National governments can inspire and facilitate community initiatives in a number of ways, including by improving the economic feasibility and by removing regulations that create obstacles. Some relevant national policy tools are discussed below.

i. Soft loans and microfinance

Many innovative initiatives require upfront investments. Preferential loans can lower the financial hurdles for such projects, making it easier for them to get started, and increase the chances that they will become successful.

ii. Tax rebates

Initiatives that create local sustainability benefits often indirectly reduce costs for local governments. When communities are strengthened and become more independent they become less of a burden to the municipal budget. In compensation, it is reasonable that such initiatives receive benefits in terms of tax exemption or lowered taxes.

iii. Regulations that allow local currencies and time banks

A local currency can only be spent in the local community. This means that the money stays in the local area, and strengthens the local economy, instead of ending up in far-away bank accounts. There are many examples all over the world of municipalities using local currencies in parallel with the regular national currency. Local currencies have existed for a long time but there appears to have been an increase in such schemes after the recent global financial crisis.

Time banks work in a similar way. When members of a community do volunteering activities they can get their efforts registered in a time bank; when they need assistance from other community members they can “pay” for these services with their time bank credits. Time bank credits can usually not be exchanged into any regular currency.

An example where a local currency is supported by the public authorities can be found in the city of Bristol (UK). Here, the municipality allows its employees to receive part of their salaries in the local currency. Some national governments regard local currencies with suspicion, treating them as a way to avoid paying taxes. Given the ecological and social benefits of local currency schemes governments should view them more positively and remove regulations that hamper such initiatives.

iv. Reward schemes for communities with innovative initiatives

To further encourage innovative activities the government can set up a reward scheme where successful initiatives are given a prize and their achievements are widely publicised. Engaging the mass media is key to effective outreach.

Recommended reading¹⁶

- UNDESA, 2007. *Sustainable Consumption and Production: Promoting Climate-Friendly Household Consumption Patterns*. UNDESA. Available at http://www.un.org/esa/sustdev/publications/household_consumption.pdf
- Rosa Groezinger and Burcu Tunçer, 2010. “What public policy framework is required to encourage sustainable consumption business strategies”. UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production (CSCP). Available at: http://www.encourage-sustainable-lifestyles.net/fileadmin/content/downloads/CSCP_Sustainable_Consumption_Policy_Instruments.pdf

¹⁶ Magnus Bengtsson and Lewis Akenji

Policy theme 5: Nudging and Changing the Social Context around Consumer Behaviour

I. Introduction

There is broad acknowledgement that despite efforts to raise awareness on the issue of sustainable consumption, results have not been commensurate. Earlier efforts underestimated how difficult it is to change the momentum of consumerism. Although consumer awareness has increased, in practice the individual consumer has limited power within a complex cultural and economic system that fosters consumerism.

Some innovative approaches have started addressing the issue by shaping the values that influence behaviour, as well as redesigning the systems that shape consumption patterns. To this, government has drawn lessons from psychology and behavioural economics into design of sustainable consumption strategies. The key is to reduce complexity in decision-making, simplify choices and guide people towards more sustainable options. This brief focuses on how to nudge people, encourage collaborative consumption, and develop a positive social architecture that facilitates sustainable consumer behaviour.

II. Relevance to Asia

Long-term infrastructure and systems of provision are being developed now that will influence people's behaviour for generations. To avoid lock-ins, government should ensure that the design of social and physical infrastructure facilitates rather than constrains sustainable behaviour.

The relevance of these approaches to Asia is especially critical at this stage because the values of society are changing along with the major economic and political shifts being experienced in the region. If governments want to secure sustainable consumer behaviour in the future society, transitional periods or early stages of the modernisation process present the best opportunities to entrench these positive values.

Furthermore, long-term infrastructure and systems of provision are being developed now that will influence consumer behaviour for generations; therefore, to avoid lock-ins, government should ensure that the design of social and physical infrastructure facilitates rather than constrains sustainable behaviour.

III. Policy Approach

To reflect this interaction of people and systems, policy design should consider the following characteristics:

- emphasis is not placed solely on the consumer - sustainable consumption is approached by modifying the design logic of products and services, and the systems through which they are accessed;
- policy design focuses on targeted changes which have significant potential to yield large rewards;
- Policy design addresses people as social beings that influence each other in society, rather than as individualists.

A four-pronged strategy is recommended hereafter. Like any policy approach, it is most effective when combined with other policy interventions.

a) Make the more sustainable choice the default option

One tested method of how to nudge people to the right action is to make the sustainable choice the default option.

In most shops, for example, the default action is that shoppers receive a disposable bag for their goods upon checking out. A new default could be required of all shops: instead of giving out plastic bags by default, asking the shoppers if they need one or putting a token charge per bag has been shown to reduce use of plastic bags by 66%. People are no longer passive (receiving a bag), they become active (thinking about the question, or paying a charge) in the decision of whether or not to use a plastic bag. This type of policy is already taking hold in Asia, e.g. with local governments like Kathmandu in Nepal introducing a ban on free disposable shopping bags in 2013¹⁷.

An extension of making it the default is to make sustainable behaviour the norm. This refers to mainstreaming a behaviour to become what people perceive as “normal” or standard behaviour in society. In order to increase recycling of domestic waste, for example, showing people that their neighbours are participating in such a program could increase the volume of recycled materials increased by some 20%. This could be a requirement for municipal waste collection services – to regularly communicate positive trends. This is because what is perceived as the norm or standard behaviour in society is a powerful determinant of individual behaviour.

b) Provide actionable information and tools

There is usually a gap between understanding the benefits of sustainable behaviour and taking the necessary action. Just presenting data is not enough to translate intentions into practice; evidence shows that people tend to take action when, in addition to the information, they are provided clear directions, tools with which to take action, or better alternatives with which to meet their needs.

Another popular example is government action to promote healthier food consumption, to reduce the incidence of obesity rates and non-communicable diseases such as diabetes. It is not enough to simply run public campaigns. Governments have to take a more systemic approach, ensuring that healthier food options are available, and more easily accessible than less healthy ones. In many countries, processed foods are required to list artificial chemicals used on their food labels. However, this information is often too complex and communicates little to the average consumer. To make labelling more effective, for example, the model of eco-labels could be used. Where eco-labels are being used to incentivise consumption of “greener” products, “non-eco” labels – e.g. a red sticker or a warning symbol similar to what is used on alcohol bottles and cigarette packets – could be used to easily spot the unsustainable or unhealthy food options. These non-healthy food labels could even be developed according to a graded system, using red, orange, green labels for sustainability grades in each product category, following the energy consumption model used for electronic consumer goods.

Understanding how people respond to feedback can be an effective input to design of policy instruments. An example is the use of home energy reports (sometimes referred to as ‘smart bills’) to give consumers feedback about their consumption patterns and encourage energy efficient behaviour. Below is an example of a home energy report that compares the recipient’s energy consumption to that of nearby homes of similar size and occupancy. Behavioural science research underlies this approach. A 2004 study by social psychologist Robert Cialdini found that information about social norms (‘your neighbours are doing this’) combined with tailored information about solutions was more effective in changing behaviour than simply providing economic, environment or ‘good citizen’ messages. More recent research has confirmed the effectiveness of this approach at scale; behavioural economist Dr. Hunt Alcott’s 2011 study verified savings achieved by 600,000 households across 17 home energy report programs, finding this approach the most effective non-price efficiency intervention available at scale. Average savings are 2%, which is comparable to the effect of a price increase of 5%. Below is an excerpt from such a home energy report.

¹⁷ Celebrities were also used to make this policy more attractive to the public. See <http://www.ekantipur.com/the-kathmandu-post/2014/08/25/nation/celebrities-join-hands-to-ban-plastic-bags/266626.html>

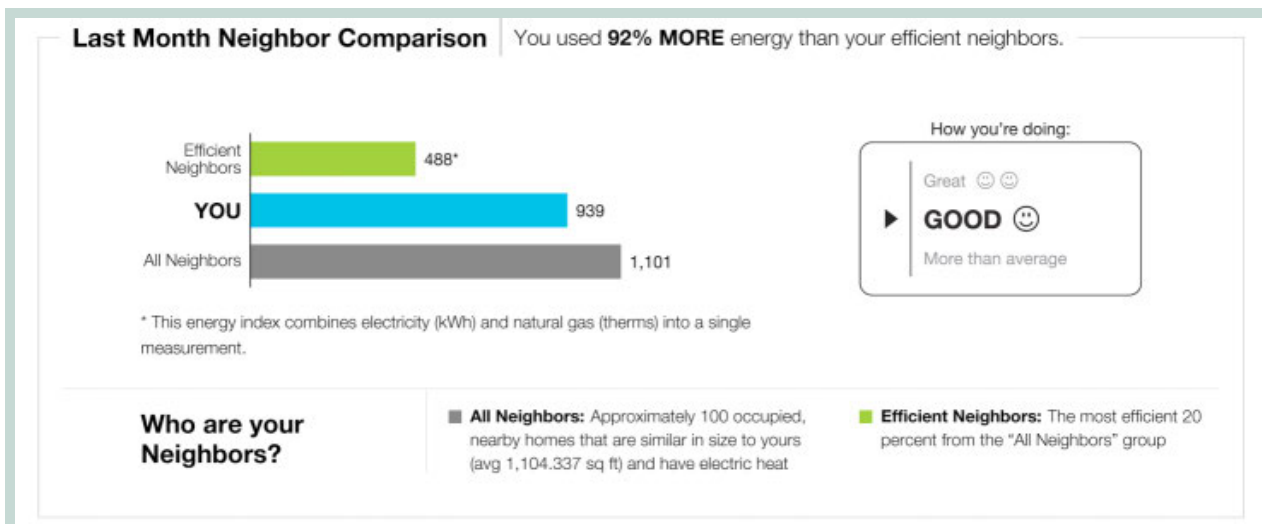


Figure 4. A “nudging” energy bill by Opower

c) Reward, highlight and incentivise sustainable behaviour

People tend to emulate their role models, and follow respected figures. Governments should thus highlight those citizens who can serve as beacons of sustainability in society, and reward behaviour that is considered exemplary and sustainable. Being surrounded by positive messages and positive examples tends to influence the social mood in a similar direction, and because human beings are social beings, it makes it more difficult to work against the societal momentum.

Naming-and-shaming has been shown to be effective. Reputation is something people care about; it is especially the case in Asian societies, where harmony and respect are treasured operational values. This is a very inexpensive way of creating a context of compliance without enforcement.

Government sustainable procurement is exemplary, and sends signals of the values it espouses. The size of its procurement alone can generate a momentum in the right direction.

While government is highlighting and rewarding positive examples, it should also use deterrents – not only deterring individuals, but also unsustainable behavioural influences. For example, it could restrict advertising of certain products. To ensure even more compliance it could go further and restrict advertising (for a certain period of time, or until certain conditions are met) of any products by repeated offenders of sustainability policies.

The government itself should serve as an example in its (sustainable) public procurement practices. It is important because government procurement sends signals of the values it espouses, and the size of its procurement alone can generate a momentum in the right direction.

As a note of caution, there is a risk to overly rely on just nudging people into sustainable behaviour. Rather than a standalone approach, nudging is most effective when it is used in combination with other forms of government regulation, fiscal incentives, and development planning.

d) Encourage community/collaborative over individual participation

People are social beings – they tend to live in communities, exchange viewpoints with and influence their peers, and develop similar routines and tastes. Policy design can effectively exploit these inter-personal influences to develop collaborative and community-based schemes that are less resource intensive. A typical example is community-owned farms or gardens – an existing practice in Asia, which is recently becoming popular again in industrialised countries. Technology-driven examples include car-sharing, where instead of each individual

owning a car, a peer-to-peer scheme allows people to rent from each other. A variation is car-pooling, where people share rides in the same car if they are travelling the same route, at much lower costs to the individuals and the environment, while making social connections and building relations with each other.

Such schemes are variously referred to as collaborative consumption, sharing economy, peer economy, etc. As well as making use of the human tendency to socialise, collaborative consumption benefits from the observation that people quite often are less interested in the product itself than in the function it offers or access to a service – for example, people want mobility, not necessarily cars; or accommodation, not necessarily a hotel. As modern life, especially in cities, becomes more demanding, the lure of collaborative consumption is that people still get access and function without the burden of ownership, allowing them more nimble lifestyles.

“Success through Sharing: The emergence of collaborative consumption, peer to peer sharing, presents a 21st century challenge to the planned obsolescence models that in many ways marked the post-war economy. The combination of rapidly changing technology, rising interest in sustainability and the increased value placed on experiences over the ownership of things is creating fertile ground for the companies that embrace these developments – and a threat to those that do not.”

Consumer industry emerging trends and issues, report of the 2010-2011 Consumer Industry Agenda Council

While media attention has recently focused mainly on the internet technology drive of collaborative consumption, there are less technology intensive possibilities to encourage collaborative consumption and reduce material intensity. A few examples well suited for Asia are mentioned below.

Governments should institutionalise bartering systems, and encourage second hand-goods stores, by granting operational licenses. Along similar lines, product repairs can be encouraged by requiring product manufacturers or importers to give extended warranty periods for goods to run easily accessible repair centres. In fact, with the increasing prominence of shopping malls in cities, every major shopping mall could be required to allocate a certain percentage of floor space for bartering, second hand-goods and repair shops.

Seoul becomes the world's first “Sharing city” through city level policy

After declaring the “Seoul as a Sharing City” vision, in September 2012, the Seoul Metropolitan Government disclosed its plan for promoting the “Sharing City, Seoul” project, which includes 20 sharing programs and policies for generating or diffusing infrastructure. The Government regards “sharing city” as a new alternative for social reform that can resolve many economic, social, and environmental issues of the city simultaneously by creating new business opportunities, recovering trust-based relationships, and minimizing wastage of resources. In particular, the city plans to deploy secondary sharing infrastructure from now on to enhance the usefulness of idle resources such as space, objects, and talents since its urban policies have concentrated on constructing primary sharing infrastructure to date, such as roads, parking lots, schools, and libraries. Parallel to the above, the Government plans to implement policies of opening public resources to the citizens by having the public sector take the initiative while focusing on the implementation of policies that respect and promote private sector capabilities.

Source: “The Sharing City, Seoul” Project, at <http://co-up.com/share/archives/32498>

In granting building permits, government could require estate developers to meet minimum efficiency standards, but also introduce community elements through, for example, common laundry facilities, common function halls, playgrounds, priority parking for shared cars, etc. In villages, governments could incentivise farmers to practice shared purchasing of farming equipment, which each farmer can then borrow on an as-needed basis.

With the increasing prominence of shopping malls in cities, every major shopping mall could be required to allocate a minimum percentage of floor space for bartering, used-goods and repair shops.

Recommended reading¹⁸

- Allcott, 2011, Social norms and energy conservation, *Journal of Public Economics*, Vol 95, Issues 9-10, Oct 2011, pp 1082-1095
- Richard H. Thaler and Cass R. Sunstein, 2008. *Nudge: Improving Decisions about Health, Wealth, and Happiness*. Yale University Press.
- Collaborative Consumption Website: <http://www.collaborativeconsumption.com/>

¹⁸ Brief prepared by Lewis Akenji and Magnus Bengtsson

Policy theme 6: Delivering on Education for Sustainable Consumption and Lifestyles

I Introduction

The unsustainability challenge demands new ways of doing things. In the present world characterised by fast changes, unpredictability, multiple crises, and information overload, education is a primary catalyst for developing a new paradigm and gaining the necessary skills for adapting.

Education for sustainable consumption aims at shaping the values and providing knowledge and skills for full participation in society, and enabling the practice of lifestyles that ensure well-being for individuals and society within ecological limits.

Unsustainability is a challenge to long-held ideologies and appetites that have been progressively cultivated in people's minds. To overcome it, new ideas should be encouraged: social and technological innovation, new business models, and out-of-market ways of meeting individual and societal needs.

Skills for sustainable lifestyles

Education can develop capacity for sustainable consumption through developing the following attitudes, knowledge and skills:

- Realisation of the complexity and sometimes controversial nature of sustainable consumption issues.
- Ability to acquire, assess and use information on the consequences of consumption, and how individual lifestyle choices influence social, economic and environmental development.
- Knowledge of consumer rights and central consumer protection laws.
- Insight into the practicalities of production and consumption and their outside-of-the-market relationships to community development.
- Awareness of a commodity's intangible and symbolic characteristics.
- Basic knowledge of the interaction of pricing mechanisms with the consumer's attitudes and behaviour.
- Ability to recognise, decode and reflect critically upon messages from the media and the market.
- Knowledge of social networks responsible for shaping consumption patterns (peer pressure, status, etc.).
- Consciousness of civil society's power to initiate alternative ways of thinking and acting.
- Individual and collective understanding of consumer social responsibility in relation to corporate social responsibility.
- Ability to manage personal finances (budgeting, saving, investing, taxes and fees).
- Ability to manage physical resources (effective control, maintenance, reuse and replacement).
- Ability to define what one considers to be a good quality of life and to be able to identify the values upon which this is based.
- Ability not only to envision alternative futures but also to create reasonable paths of action leading to these.

Source: adapted from: Here and Now! Education for Sustainable Consumption – Recommendations and Guidelines (UNEP, 2010)

II. Relevance for Asia

Learning takes place in formal, non-formal and informal settings¹⁹. The importance of education for sustainable

¹⁹ **Formal education** settings is classroom-based, provided by trained teachers. **Informal education** happens outside the classroom, in after-school programs, community-based organizations, museums, libraries, or at home from family and neighbours, work or at play, market place, etc. And **non-formal education** is voluntary learning that takes place in diverse settings such as swimming lessons, community-based sports programs and so forth, which do not have a formal curriculum, accreditation or certification, but have more structure than that associated with informal learning

consumption (ESC) is yet to be well recognised in schools and universities. In fact, despite increasing international recognition of sustainable consumption, mainstreaming ESC in formal education curricula as well as informal education remains a challenge for both developed and developing countries. When ESC is offered in such formal educational establishments, it is as a supplementary or stand-alone subject rather than integrated in the curriculum. At a broader societal level, informal ESC is mostly limited to projects on consumer information campaigns – distributing flyers, producing jingles, and leaving consumers with the burden of making tough decisions on a very complex issue. The aforementioned approaches do not only fail to properly integrate education, they fail to recognize the limitations of information in a context where there are stronger influencing factors on individual consumption decisions. More efforts are needed to open the setting of an experience-based model for the institutional strengthening of ESC through policy-making and implementation at national levels.

Sustainability practitioners have heavily underutilised the potential of education in Asia – a society of long established traditions and entrenched practices, of proud cultures, of strong family bonds and social values, of active youth and women’s associations, of highly respected (and often informal) community elders; a society where formal education is fairly new and not yet fully operationalised, but where means and channels of everyday teaching and learning have solid command on lifestyle choices and everyday decisions.

III. Policy approaches to education for sustainable consumption

The emerging lesson here is that education for sustainable consumption is needed not just for individual consumers (the term sustainable consumption is a misnomer, at the very least) especially when there are more powerful stakeholders such as businesses, government agencies and faith groups - agents of society that shape values, knowledge and skills acquisition, and opportunities for practice. Learning takes place beyond formal education. More effective would be providing the right education to decision makers: to businesses, which decide on what products to bring to the market; to policy makers, who make decisions on the infrastructure that railroads certain patterns of consumption; to institutions, which guard tradition and culture, and influence the norms and values that shape consumption; to investors, community elders, churches, household associations, coaches, principals, etc.

The following four points include wide-ranging elements that could be parts of such a holistic ESC approach. They target schools, businesses, government and communities.

a. Schools: Live-it! approach to formal education.

Make schools “living laboratories” for sustainability – where learners don’t only study sustainability but also live it, from school culture, through infrastructure to the curriculum.

- i. **Sustainability should be integrated in all school subjects, as a cross-cutting interdisciplinary theme** rather than a standalone subject. History shouldn’t focus only on wars and industrial development but also on changes over time in our environment; biology should cover extinct and threatened species; economics should focus less on individual profit but encourage addition of value to society and concern for the environment; technology should cover eco-innovation; civics should cover volunteering and civic duty, as well as responsibilities rather than just rights and so forth.
- ii. **School infrastructure itself should be sustainable** - sustainable building materials, energy efficient lighting, healthy, organically produced school lunches, gardens and farms with indigenous plant species. Learners could be involved in improving the sustainability of their school environment and buildings by exploring mechanisms (as part of their learning activities in and outside of the classroom) to further “green” their schools, e.g. through rainwater harvesting, recycling programs etc.
- iii. To enhance the live-it! Education experience, **schools should further provide sustainability information on all activities and infrastructure** – e.g. food-miles labels for canteen food, source of wood for classroom desks, information on classroom energy consumption – and encourage use of this information for studies and exercises;
- iv. **Schools should include community and social service activities at all levels** – from early childhood education through university – into standard activities. Part of education is to learn to be of service to the larger community. Volunteering has been shown to be a practical learning

experience and makes those who engage in it feel happy. Encouraging this should not only be limited to voluntary eco-clubs as extra-curricular activities but making sure that grades or credits are given for participation.

- v. **Teachers should be trained about ESC** while in teacher training colleges rather than learning about ESC on the job. This will not only ensure continuity of ESC and sustainability in schools but also equip teachers with the necessary and relevant information about ESC that they can use in their teaching.

A live-it! education approach would ensure that schools provide a total-immersion environment for sustainability learning and living for learners, teachers and school administrators.

b) Businesses: providing real value to consumers and society

- i. **Ecological sustainability should be an integral subject of business schools, not an add-on class.** This would require that future business persons are taught the social and ecological consequences of having practiced run-away capitalism over the last decades, and effects of neoliberal ideologies such as pursuit of unlimited economic growth that threatens the earth' resource and regenerative capacity. In addition, business schools can outline the business case for change – environmental and resource constraints will increasingly require eco-innovation and co-creation approaches to develop the goods and services that will meet the needs of tomorrow's consumers.
- ii. **Sustainability training should be mandatory for all business leaders.** This should cover not only strategic environmental assessment of plans and projects, or life-cycle assessment of products. It should combine the need to assess social and environmental consequences of business decisions, with questions of “who benefits?” from business ventures, and “what additional value?” products or services provide consumers. New, strategic, eco-innovative approaches should be taught and related skills enhanced.
- iii. Consumer debt is becoming an issue for millions in Asia, putting a heavy burden on families and wiping away the livelihoods of those struggling to get out of poverty. **Regulate consumer “shark” loans, mortgages, and other lending schemes** directed at consumers who are sometimes naïve, and often only partly informed borrowers. This should go along with financial literacy programs for individuals, and capacity building programs for policy makers who are in place to assess and grant government licenses for such schemes.
- iv. **Provide practical consumer information.** As an example, develop not only eco-labels but also “un-eco”-labels (a red sticker! for example) to identify products which are below minimum sustainability standards, those whose consumption has a detrimental effect to the consumer, society or environment.

Education for business leaders should combine the need to assess social and environmental consequences of business decisions, with questions of “who benefits?” from business ventures, and “what additional value?” products or services provide consumers.

c) Governments: creating an environment for learning and innovation

Unsustainability is a new challenge to current lifestyles that have been progressively engendered in society over a long period; it challenges long-held ideologies and appetites that have been cultivated in people's minds. To overcome it, new ideas should be encouraged: social innovation from local community to international level, technological innovation, new business models, and out-of-market ways of meeting individual and societal needs. These would be facilitated if governments acknowledge that present lifestyles are on a collision course with nature and provide incentives for new and less consumptive ways of meeting individual and societal needs. Some means include:

- I. **Dedicated research and development (R&D) budget** for sustainability innovations. Three interrelated obstacles to government promotion of R&D include: big budgetary demands; access to this budget by small and less connected entities; the rights to use of research results. For effective engagement and use of R&D budget, government should further facilitate collaboration between universities, businesses, other institutions and individuals. For example: brokering collaboration schemes for shared laboratories and equipment; participation of businesses and non-students in university research activities; fair and transparent attribution of rights to research results, and social- and sustainability-benefit clauses to application of research findings.
- II. To encourage creative, solutions-oriented learning, give recognition (e.g. **prizes and awards**) for **innovative ideas and practices** – it is especially important that the recognition given here is not inferior to what is provided to the unsustainable alternatives!
- III. **Develop support schemes for non-profit activities and social entrepreneurship.** To ensure that new and potentially useful ideas don't get killed off due to lack of training and capacity, create incubation schemes with supporting environments for promising sustainability ventures. This can be complemented by creating convenient spaces for piloting of new ideas.
- IV. Create **an ombudsman for sustainable consumption, youth and future generations**²⁰!

d) Communities and institutions: co-designing a sustainable future

Government must stop seeing education as an activity relegated to school and university campuses; learning is a complex interactive process and result of both planned and unplanned experiences of living.

Institutions like schools, religious centers, the media, community centres, are custodians of cultures - shaping values, influencing everyday practice, keeping tradition and validating new norms. They have a direct impact on people and their actions. In order to see a real shift to broader patterns of sustainable lifestyles, government must **harness the power of institutions**, to enable them to promote everyday sustainable consumption habits and engage them in the co-creation of sustainable futures. For itself, government must stop seeing education as an activity relegated to school and university campuses, and more as a complex interactive process and result of both planned and unplanned experiences of living. In this respect, education cannot be separated from the art of aspiring for and continually improving oneself and society towards a better life.

As custodians of culture, **institutions need to re-examine the principles and values guarding their operations** and upon which they base interaction with members/society. This will add to them the moral and practical authority to engage in the challenge of driving sustainable lifestyles. As well as re-examining their own underlying values and practical operations vis-à-vis sustainability, institutions need to engage in the following, among several:

- Counter corporate media messages hard-driving consumerism as a mainstream ideology;
- Engage youth in value-driven initiatives to promote more compassionate and meaningful lives;
- Name and highlight heroes and models of sustainable lifestyles

An oft presented criticism of sustainability is that proponents fail to present **a vision of what lifestyles would look like in the future.** An image of how and what people would eat, move from place to place, live at home, interact with friends, etc. The lack of imagery and destination constraints the ability for education to inspire change. Students, for example, tend to see themselves as inheritors of a world that is created (and destroyed) for them by adults – and yet they are the ones being taxed to change their lifestyles; citizens see themselves in a world built by distant governments and run by corporations over which they have no say. These two examples create disenfranchisement, a lack of ownership in the future that education for sustainability expects people to invest in.

An opportunity to address the above in practice is to create spaces where learning (formal, informal, or non-

²⁰ See for example the work of Future Justice: <http://www.futurejustice.org/about-us/>

formal) is recognised as an integral aspect of life, where education meets aspiration – thus the following proposed example:

- to create enabling spaces and processes that bring together citizens, institutions, and the government to jointly develop imagery and scenarios for future lifestyles, and **to co-create a shared vision of their sustainable society**. This exercise can be facilitated in schools, religious settings such as churches, mosques and temples, companies, communities, etc. It starts by building a common perspective at a local level (in different communities, companies, neighbourhoods, schools, etc.) and then gradually increasing the scale and bringing all these groups together to co-create at a visionary scope beyond individual stakeholder groups, and up to national - and even regional - level.
- While such a vision should be inspiring for people to work towards, it must be based on a proper understanding of both the ecological constraints presented upon our future by centuries of disharmony with nature, and the opportunities sustainability offers. Thus it is important, in order to have an open and informed process, that a guide should be developed around such an activity. Included in this guide will be constraints to our current lifestyles and risks to the future, reflecting environmental issues, pollution and waste, failures of runaway capitalism, fractured political systems, physical and psychological ill-health, etc.
- Having co-created future scenarios, groups should then engage in developing possible pathways – how to get there. This should include what needs to be done/change in the present system, what activities each group should engage in, present capacities and capacity development needs.

Education for sustainable consumption is needed to orientate the values, provide knowledge and hone skills for everyday life. At its most effective, what is taught is internalised and becomes second-nature during practice. Thus, just as important as teaching the right thing is the need to prevent other channels that blur minds with unhealthy messages – such as that success in life means making money and accumulating material wealth.

Recommended reading²¹

- UNEP, 2010. *Here and now! Education for Sustainable Consumption. Recommendations and Guidelines*. UNEP. Available at http://www.unep.org/pdf/Here_and_Now_English.pdf
- Swedish Ministry of Environment, 2009. *The Report of the Marrakech Task Force on Sustainable Lifestyles*. UNEP. Available at <http://www.unep.org/resourceefficiency/Portals/24147/scp/marrakech/taskforces/pdf/SLT%20Report.pdf>

²¹ Brief prepared by Lewis Akenji



Part 4: A Reading List on Sustainable Consumption and Production in Asia

A Reading List on Sustainable Consumption and Production in Asia

Below is a list of key publications and descriptive summaries, which address numerous aspects of the sustainable consumption and production and are of relevance to Asia.

- **Roadmap for the 10YFP Implementation in Asia and the Pacific 2014-2015.**

Available at:

http://www.unep.org/roap/Portals/96/Asia_Pacific_10YFP_Roadmap_2014_2015_FINAL.pdf

Launched in April 2014, the roadmap contains comprehensive outputs and indicators to mainstream SCP in the five initial programme areas of the 10YFP: sustainable tourism, sustainable buildings and construction, sustainable public procurement, consumer information, sustainable lifestyles and education.

- **Sustainable Consumption and Production in the Asia-Pacific Region, Effective Responses in a Resource Constrained World. White Paper III.** IGES 2010: Japan.

Available at:

http://pub.iges.or.jp/modules/envirolib/upload/2801/attach/fulltext_whitepaper3_e.pdf

This white paper summaries recent consumption and production situations in Asia-Pacific, identifies new SCP issues and reviews effective policy approaches being implemented across the region. The paper analyses broad policy recommendations and also identifies the critical policy research agenda for the region.

- **Sustainable Consumption and Production Policies. A Policy Toolbox for Practical Use.** SWITCH-Asia Network Facility, 2011; CSCP/Wuppertal Institute/Copenhagen Resource Institute.

Available at:

http://www.scp-centre.org/fileadmin/content/files/6_Resources/1_Publications_pdfs/40_CSCP_WI_2010_SCP_Policies_-_Toolbox_en.pdf

This Policy Tool Box provides an overview of national policy framework encouraging SCP, as well as concrete policy instruments that can be employed at various life-cycle stages and thematic areas. It also lists a number of practical examples and experiences from the SWITCH-Asia projects.

- **Policy-Makers in Focus Strategies and Experiences from the SWITCH-Asia Programme.** SWITCH-Asia Network Facility 2013: Wuppertal

Available at: http://archive.switch-asia.eu/index.php?eID=tx_nawsecured1&u=0&file=fileadmin/content/downloads/Booklets/Replication_Case_Studies/2013_policy-amkers_in_focus/Policy_Study_2013_Screen_-_compressed.pdf&t=1431614919&hash=926e71b3c25914d377cdce631a62714335eae7b

This study discovered a number of strategies, approaches and practices, used by the SWITCH-Asia projects to create a link to policy-makers. The current review shows that there are a number of strategies that SWITCH-Asia projects use to identify a problem, bring it onto the policy agenda, and advance its implementation by employing selected instruments.

- **Mainstreaming Consumption in Asia: The Challenges** (Part 1 & 2). SWITCH-Asia Network Facility 2014: Wuppertal

Available at:

Part one: <http://www.switch-asia.eu/publications/mainstreaming-consumption-in-asia-part-one/>

Part two: <http://www.switch-asia.eu/publications/mainstreaming-sustainable-consumption-in-asia-the-solutions-part-two/>

This booklet has two parts. Part One presents the <challenges> that consumers face in the region when embracing sustainable consumption, particularly regarding the product life-cycle, and Part Two presents solutions and opportunities.

- **Sustainable Consumption and Production: A Handbook for Policy Makers.** 2nd Edition. UNEP 2014: Paris

Available at: http://www.switch-asia.eu/fileadmin/user_upload/RPSC/Publications/SCP-Handbook-Global_Low-resolution_.pdf

This handbook is designed to assist policy makers in developing, implementing, monitoring and evaluating policies that support the transition towards SCP. It includes numerous case studies highlighting SCP opportunities and existing successful initiatives within the region. Part A provides an introduction to the fundamentals of SCP and follows SCP through the policy cycle. Part B details specific thematic opportunities for SCP policy development including cleaner and safer production, sustainable lifestyles, sustainable cities, sustainable public procurement and sustainable tourism.

- **Global Outlook on Sustainable Consumption and Production Policies - Taking Action Together.** (Chapter 5: Asia-Pacific. p. 108 – 129). UNEP 2012: Paris

Available at:

http://www.unep.org/pdf/Global_Outlook_on_SCP_Policies_full_final.pdf

This Global Outlook provides a non-exhaustive review of policies and initiatives that are promoting the shift towards SCP. It identifies examples of effective policies and initiatives being implemented worldwide. Chapter 5 of the publication centers explicitly on Asia-Pacific.

- **Sustainable, Resource Efficient Cities Making It Happen!** UNEP 2012: Paris

Available at: http://www.unep.org/pdf/Sustainable_Cities.pdf

This publication aims to formulate a broader framework of integration which is required for cities to transition to sustainable, resource efficient development and to realise green urban economic growth trajectories that are equitable and sustainable.

- **Sustainable Public Procurement Implementation Guidelines.** Paris 2012: UNEP

Available at:

<http://www.unep.org/resourceefficiency/Portals/24147/scp/procurement/docsres/ProjectInfo/UNEPImplementationGuidelines.pdf>

Sustainable Public Procurement Implementation Guidelines provide useful insights into the challenges and opportunities that policy makers face during the implementation phase of sustainable public procurement.

- **Sustainable Consumption and Production for Poverty Alleviation.** UNEP 2012: Paris.

Available at :

http://www.unep.org/10yfp/Portals/50150/downloads/publications/poverty/SCP_for_Poverty_full.pdf

SCP for Poverty Alleviation explores the type and quality of the linkages between SCP and poverty alleviation. A theoretical framework is constructed and supported by a number of case studies, which identify and where possible quantify the combination of economic, social and environmental gains secured by transitioning towards SCP.

- **Paving the Way for Sustainable Consumption and Production: The Marrakech Process Progress Report.** UNEP 2011: Nairobi

Available at:

http://www.unep.org/10YFP/Portals/50150/downloads/publications/Paving_the_way/Paving_the_way_final.pdf

This report presents the activities and outcomes of the Marrakech Process and provides some highlights and lessons learned. It examines the key outcomes of the Process from three main perspectives: the Marrakech Task Forces, regional activities, national and local level.

- **Visions for Change – Recommendations for Effective Policies on Sustainable Lifestyles.** UNEP 2011: Paris.

Available at: <http://www.unep.org/pdf/DTIx1321xPA-VisionsForChange%20report.pdf>

This publication provides recommendations to develop effective sustainable lifestyles policies and initiatives based on the Global Survey on Sustainable Lifestyles (GSSL). It is aimed at policy-makers and all relevant stakeholders on how best to help support the shift to sustainable lifestyles, for instance through effective communication and awareness-raising campaigns.

The report's country papers (including some from Asia-Pacific) are available at <http://www.unep.org/pdf/WEBx0166xPA-VisionsForChangecountrypapers.pdf>

- **Here and Now! Education for Sustainable Consumption: Recommendations and Guidelines.** UNEP 2010: Paris

Available at: http://www.unep.org/pdf/Here_and_Now_English.pdf

This guidance book demonstrates the importance of skills for enabling more sustainable growth of the developed and developing countries. It provides numerous examples of educational practices, policies that facilitate them as well as principles that guide such policies.

- **SCP Indicators for Developing Countries: A Guidance Framework.** UNEP 2008: Paris

Available at:

<http://www.unep.fr/shared/publications/pdf/DTIx1085xPA-SCPindicatorsEN.pdf>

This publication aims to provide guidance to government departments for selecting their national SCP indicator sets. It proposes a structured framework for understanding SCP and for developing indicators, which is crucial for M&E progress.

- **Recent Trends in Material Flows and Resource Productivity in Asia and the Pacific.** UNEP/CSIRO 2013: Bangkok

Available at: [http://www.unep.org/pdf/RecentTrendsAP\(FinalFeb2013\).pdf](http://www.unep.org/pdf/RecentTrendsAP(FinalFeb2013).pdf)

This report presents an update of a previous report on material flows and resource productivity in Asia and the Pacific (UNEP 2011). The focus is on the 10 countries from the region that have the greatest aggregate consumers in 2008: Australia, China, India, Indonesia, Japan, Malaysia, Pakistan, Korea, Thailand, & Viet Nam.

- **Resource Efficiency: Economics and Outlook for Asia and the Pacific, Key Messages and Highlights.** UNEP 2011: Bangkok

Available at: http://www.unep.org/roap/Portals/96/REEO_AP_Key.pdf

This summary report provides an overview of resource use patterns in the region, explains why sustainable resource use and resource efficiency will become an economic and social imperative for the region, and makes suggestions on how to achieve sustainable resource use and resource efficiency via well designed policies.

- **Capacity Building and Policy Needs Assessment for Sustainable Consumption and Production.** UNEP/CSIRO/IGES. 2012.

Available at:

http://pub.iges.or.jp/modules/enviroilib/upload/4453/attach/SWITCH_PSC_Needs_Analysis_Report_Final.pdf

This document summarizes the findings of the study on 'Capacity Building and Policy Needs Assessment for Sustainable Consumption and Production'. The study found that policy development in many Asian developing countries has matured over the past decade, and many existing policies have the potential to be very beneficial to SCP and RE outcomes. There are, however, a number of barriers to success.

- **Advancing Sustainable Tourism: A Regional Sustainable Tourism Situation Analysis - Asia Pacific.** UNEP/GPST 2013.

Available at: http://www.gpstourism.org/UNEP%20Asia%20Pacific_Situation%20Analysis_EN_2013.pdf

This publication is part of a series with regional focus on sustainable tourism promoted by the Global Partnership for Sustainable Tourism. Released in 2013 Asia-Pacific edition provides an analysis of the sustainability of tourism within the region, supplemented detailed data, examples and country experiences.

- **Communicating Sustainability. How to produce effective public campaigns.** UNEP/GPST.2013.

Available at: <http://www.unep.fr/shared/publications/pdf/DTIx0679xPA-CommunicatingEN.pdf>

This guide shows how the power of communication can be harnessed for achieving the goal of promoting more sustainable lifestyles. It is designed for local and national government authorities, and everyone else who wants to develop and implement public awareness campaigns on these issues.

About the UNEP Division of Technology, Industry and Economics

Set up in 1975, three years after UNEP was created, the Division of Technology, Industry and Economics (DTIE) provides solutions to policy-makers and helps change the business environment by offering platforms for dialogue and co-operation, innovative policy options, pilot projects and creative market mechanisms.

DTIE plays a leading role in three of the six UNEP strategic priorities: **climate change, harmful substances and hazardous waste, resource efficiency.**

DTIE is also actively contributing to the **Green Economy Initiative** launched by UNEP in 2008. This aims to shift national and world economies on to a new path, in which jobs and output growth are driven by increased investment in green sectors, and by a switch of consumers' preferences towards environmentally friendly goods and services.

Moreover, DTIE is responsible for **fulfilling UNEP's mandate as an implementing agency for the Montreal Protocol Multilateral Fund** and plays an executing role for a number of UNEP projects financed by the Global Environment Facility.

The Office of the Director, located in Paris, coordinates activities through:

- > **The International Environmental Technology Centre** - IETC (Osaka), promotes the collection and dissemination of knowledge on Environmentally Sound Technologies with a focus on waste management. The broad objective is to enhance the understanding of converting waste into a resource and thus reduce impacts on human health and the environment (land, water and air).
- > **Sustainable Consumption and Production** (Paris), which promotes sustainable consumption and production patterns as a contribution to human development through global markets.
- > **Chemicals** (Geneva), which catalyses global actions to bring about the sound management of chemicals and the improvement of chemical safety worldwide.
- > **Energy** (Paris and Nairobi), which fosters energy and transport policies for sustainable development and encourages investment in renewable energy and energy efficiency.
- > **OzonAction** (Paris), which supports the phase-out of ozone depleting substances in developing countries and countries with economies in transition to ensure implementation of the Montreal Protocol.
- > **Economics and Trade** (Geneva), which helps countries to integrate environmental considerations into economic and trade policies, and works with the finance sector to incorporate sustainable development policies.

DTIE works with many partners (other UN agencies and programmes, international organizations, governments, non-governmental organizations, business, industry, the media and the public) to raise awareness, improve the transfer of knowledge and information, foster technological cooperation and implement international conventions and agreements.

For more information,
www.unep.org/dtie

This guide demonstrates the practical meaning of sustainable consumption (SC) as a policy integration approach. It provides tools to support design and implementation of policies and activities that respond to the context of the Asia Pacific. This is done by identifying and discussing some common myths that are obstacles to effective SC actions and recommending potential solutions, mainly from an Asian perspective but also informed by practices in other regions.

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