State of Oregon Department of Environmental Quality

Literature Review: Key Challenges in Sustainable Consumption

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Summary

To date, most government efforts to support sustainable consumption have been based on a "rational choice model" of consumer behavior. This model states that consumers always make rational decisions with the goal of maximizing their economic self-interest. In response, governments traditionally advocate for providing more and better information to consumers (via labeling schemes, outreach, etc.), under the belief that if consumers just had access to better information, or were extorted to change, they would make more sustainable decisions. Recent research, however, largely discredits the rational choice model and the program and policy actions that stem from it as incomplete and naïve. This research shows consumer decisions are in fact driven by emotional and even biochemical forces, underlying values, force of habit and a variety of external factors including availability, affordability, convenience and social norms. These underlying forces can make it difficult for consumers to change, but changing the external factors also offers potential to make it easier for consumers to change. While consumers do need better information, information by itself often has limited effectiveness in changing consumer behavior.

Background

Stakeholders participating in DEQ's Materials Management Workgroup have expressed a strong interest in exploring the topic of consumption. In recent years there has been a significant amount of literature published on "sustainable consumption." To prepare for stakeholder group discussions, DEQ recently reviewed some of this literature. Literature addressing the challenges specific to sustainable consumption is summarized in this paper, below.[1]

Overview of Challenges in Changing Consumer Behavior

Changing consumer behavior is not necessarily simple or easy. Timmer et al. (2009) summarize the key challenges as follows:

- Value-action gap: more information does not necessarily lead to changes in actions and behaviors. Behaviors are more strongly influenced by other (external, not knowledge-based) constraints, including infrastructure, lack of time, ease of finding products, etc. Information may be mistrusted or easily forgotten.
- Different types of products and services require different interventions: what works in one domain (e.g., energy) is not necessarily transferrable to another.
- Distributional concerns: policy instruments can have a disproportionate impact on more vulnerable and marginalized people and households.
- Limitations of market-based approaches: economic instruments are powerful but can backfire or be limited in addressing necessary cultural shifts. Financial incentives can crowd out more powerful

[1] A separate paper addresses government programs and policies that have been proposed to shift consumption patterns and engage and support stakeholders in making consumption and production more sustainable.

social norms.[2] Economic instruments need to complement, not undermine, a values-based approach aimed at shifting the cultural foundations of household behavior.

- Unrealistic time horizons: policy tools and instruments often have significant time delays, and short-term effects can differ from long-term effects. Change interventions should be monitored over longer time frames, particularly if cultural shifts are involved.
- Incremental steps can undermine deeper change: a small commitment made by households does not necessarily lead to more significant changes. In fact, small changes may become barriers to larger ones.[3]
- Rebound effect: gains in reducing unsustainable consumption leads to unanticipated increases in consumption in other areas.[4]
- Overemphasis on individual choice and on shifting household demand: there can be a tendency to blame the individual, when often the reason is deeper-rooted and structural.[5]

Timmer et al. (2009) conclude that certain policy instruments (e.g. awareness-raising campaigns and eco-labeling) on their own are not effective in creating behavior change, in part because of the value-action gap and because they may not take into account structural constraints. Interventions are most effective when they use a mix of instruments. However, there remain significant gaps in research and information on effective change interventions (Timmer, 2009; Tukker, 2010).

Tim Jackson expands on the last of Timmer et al.'s identified challenges (overemphasis on individual choice) in "Motivating Sustainable Consumption." Jackson observes that much existing policy in the field of sustainable consumption is guided by a "rational choice model" of consumer behavior. This behavioral model assumes that consumers make rational decisions in order to maximize their own utility. Policy interventions guided by this model seek to ensure that consumers have access to information to make informed choices. Jackson summarizes a series of criticisms of this model.[6] Further evidence that consumers regularly make decisions inconsistent with the rational choice model is summarized by Tukker et al. (2010).[7]

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[2] For example, paying people to recycle may undermine a sense of civic duty or the desire to be seen by others as a responsible citizen.

[3] According to Timmer et al. (2009), some researchers have observed a "negative spill over" effect: as certain individuals undertake simple steps such as recycling, they may have an appeased conscience by feeling that they have 'done their part,' avoiding more costly and difficult behaviors as a consequence.

[4] Rebound effects occur in response to both producer and consumer changes. For example, as a process becomes more efficient, its products become less expensive, so individuals may consume more at the same cost to themselves than they otherwise would have. This undermines the intended benefit from the gain in efficiency. On the consumer side, when consumers change behavior and save money, they may increase consumption elsewhere.

[5] Timmer et al. (2009) describe several reasons, including: 1) "Humans have too much on their mind to think through every little action they take. Much of what people do... is routine behavior that is only changed during disruptive events." 2) Consumers can also be locked into their use of certain goods because of external constraints (lack of access to more sustainable options, for example). 3) Some constraints are rooted in bio-physical foundations, with evidence that people experience increased dopamine when acquiring goods. 4) Some constraints have cultural roots, as shopping is sometimes used as a social conversation that establishes identity and hierarchical position in society. A lack of connection with community means that people look to material goods for gratification and replacement of this sense of being part of a community. In contrast, a sense of trust and community feeling leads to less consumption.

[6] These include (per Jackson (2005)): 1) There are cognitive limitations on our ability to deliberate. Further, more information is not always better; 2) Emotional responses confound cognitive deliberation. Emotion may even precede cognition in decisions; and 3) Humans are not purely self-interested; behavior also consists of social, moral and altruistic behaviors.

[7] Specifically, consumers discount the future; give preference to novel/extreme experiences; purchase goods and services not only for their qualities and functions but also for their symbolic or identity value; and fear dramatic risks more than commonplace dangers (even when the probabilities of damage are equal).

Despite limitations of the rational choice model, human beings are concerned by economic costs and benefits and sometimes do engage in rational deliberations (Jackson, 2005). Jackson concludes that fiscal incentives and information campaigns are helpful if part of a larger strategy, but on their own are insufficient to spark pro-environmental behavior change of the kind and scale required to meet existing challenges.

According to Jackson, material goods and services are deeply embedded in the cultural fabric of our lives. Through them we not only satisfy our needs and desires, we also communicate with each other and negotiate important social relationships. Behavior change initiatives will encounter considerable resistance unless and until it is possible to substitute for these important functions of society in some other ways. In this context, motivating sustainable consumption has to be as much about building supportive communities, promoting inclusive societies, providing meaningful work and encouraging purposeful lives as it is about awareness raising, fiscal policy and persuasion.

Individual behaviors are guided as much by what others around us say and do, and by the “rules of the game,” as they are by personal choice. We often find ourselves “locked in” to unsustainable behaviors in spite of our own best intentions. Policymakers sometimes express ambivalence about intervening in these behaviors. But Jackson (2005) argues that policymakers are not innocent bystanders in the negotiation of consumer choice. Policy intervenes continually in consumer behavior both directly (e.g., through regulation and taxes) and more importantly through its extensive influence over the social and institutional context within which people act.[8]

According to Tukker et al. (2010), social survey evidence shows that although people strive for financial security and to live in material comfort, their deepest aspirations are nonmaterial. Material consumption is needed but by itself does not contribute significantly to personal happiness or subjective well-being beyond a relatively modest threshold. This dichotomy between needs and wants is further elucidated by Max-Neef (per Tukker), who contends that needs are few and finite, the most prominent being subsistence, protection, affection, identity, creation and freedom. These needs can be met in different ways with varying ecological footprints.

Consistent with Timmer et al. and Jackson, Tukker et al. (2010) also note that while a number of one-dimensional change models (awareness campaigns, etc.) have been tried, approaches implemented in isolation have only small effects, particularly if the aim is to achieve comprehensive behavioral change. Motivational strategies to create supportive social environments, to foster a sense of community, and to impart shared values offer better prospects than moralizing or appealing to individual altruism. But motivational techniques must go hand in hand with creation of alternative behavioral opportunities for fulfilling needs that are comparable to preexisting alternatives.

[8] Specific to institutional context, Jackson (2005) discusses the “rules, regulations and operating conditions (that define) the context within which (consumer) choice is negotiated.” Examples include product standards, building standards, trading standards, media standards, and marketing standards. In the area of social context, Jackson states that “a part of the indirect influence of State policy is symbolic... people respond quite explicitly to the symbolic meanings of things... Government policies send important signals to consumers about institutional goals and national priorities. They indicate in sometimes subtle but very powerful ways the kinds of behaviours that are rewarded in society, the kinds of attitudes that are valued, the goals and aspirations that are regarded as appropriate, what success means and the worldview under which consumers are expected to act. Policy signals have a major influence on social norms, ethical codes and cultural expectations.”

Perspective of Business Organizations

In recent years, several business membership organizations have also joined the discussion around sustainable consumption. The World Business Council on Sustainable Development (2008) observes that while consumers increasingly express an interest and willingness to change, this willingness "...often does not translate into sustainable consumer behavior because of a variety of factors – such as availability, affordability, convenience, product performance, conflicting priorities, skepticism and force of habit."

Producing more sustainable offerings can be more expensive, requiring additional investment, changes in corporate practices, and different relationships with suppliers. New, more sustainable products can struggle to get to scale and compete with established offerings. The need to engage suppliers also poses a new challenge, as supply chains can be opaque and highly complex, making it difficult to assess and manage the impacts of a specific product.

Policy frameworks also pose challenges. For example, supply chain engagement may run afoul of regulations designed to prohibit industry collusion. Inconsistency in policies between nations (and states) can be a barrier and can provoke capital flight from tightly regulated countries to those with lax environmental standards. Countries that import high-impact goods avoid responsibility for the impacts of production abroad. Existing laws sometimes also give competitive advantage to existing businesses and business models rather than more sustainable ones.

Finally, the World Business Council on Sustainable Development notes that creating a framework that allows consumption to become sustainable will require very different relationships – including much greater collaboration – between all parties, including government and businesses (World Business Council on Sustainable Development, 2011).

BSR (formerly Businesses for Social Responsibility), in a 2010 report addressing sustainable consumption, argues that the core challenge to sustainable consumption is that the current economic system is inherently flawed: "...for businesses as well as governments, incentives point us in the direction of consuming resources that will become ever more scarce and expensive. In effect, our current system is inherently flawed, with the very human quest for better lives in conflict with the maintenance of a healthy planet."

BSR cites a survey which finds that the two most common reasons listed by individuals for not engaging in more environmentally friendly consumer behavior are a lack of trust in businesses and a sense that individual action is not meaningful in the absence of more significant efforts by government and businesses.

Making consumption more sustainable, argues BSR, will require changes to the systems in which businesses and government operate: a change to much longer time horizons than most businesses and governments currently consider; changing accounting systems to account for externalized costs; and changing accounting systems to capture measures of human well being and the degree to which society's goals are met *through* economic activity, as opposed to merely measuring the *volume* of economic activity.

Individuals as Consumers, Individuals as Citizens

Another criticism of over-emphasizing individual consumer behavior comes from authors such as Maniates, who explore whether emphasizing the role of individuals as "consumers" lessens their broader societal engagement as "citizens."

Maniates (2001) takes a generally negative view of efforts to encourage "green consumption" by individuals. In his view, focusing on individuals as consumers is popular for being apolitical and non-confrontational. Yet to the extent that it narrows options and obscures discussion (much less action) to address larger social, economic and political forces, "green consumption" is unhelpful. Individual consumption choices are important, but control over these choices is constrained, shaped and framed by institutions and political forces that can be remade only through collective citizen action. According to Maniates, emphasis on individual consumer action – a mentality of "plant a tree, ride a bike, do your part," – is not merely ineffectual, but detrimental, because it crowds out activity that would have real impact.

Willis et al. (2009) cite the researcher Andrew Szasz, who portrays consumption of natural or organic products as a "retreat into little consumer bunkers," individuals barricading themselves from toxic threats while failing to engage with others to drive broader societal changes that would protect all people.

This line of reasoning holds that green consumption may simply relieve individuals of their duty to do something really substantial and more difficult. Further, green consumption might also just become a less noxious form of conspicuous consumption.

Willis et al. (2009) take a different view of the "citizen-consumer" relationship. While recognizing that the simple model of encouraging consumer change through outreach is insufficient "because it fails to account for concentrated power, institutional inertia, and over-estimates the influence of consumers vis-à-vis businesses and that state," this does not mean that consumer actions are "irrelevant or impotent." Nor are consumer actions necessarily a distraction from broader civic engagement. Rather, individual consumer choices are important less for their actual impact on the environment but because "in contemporary culture, consistency (of) personal actions in accord with values... (is) essential for political credibility. If organizations or individuals are attempting to change the behaviors of others, be they firms, institutions or individuals, they must themselves live up to the values they are espousing." This view argues that "values-driven consumption and consumer activism *is* a form of citizenship, and that to define citizenship as something apart from consumer choices adopts the neo-liberal separation of market and state that is part of the problem to begin with."

Consuming Differently vs. Consuming Less

One final challenge is the distinction between "consuming differently" and "consuming less." Some businesses, nongovernmental organizations and policymakers prefer limiting "sustainable consumption" to "consuming differently." This makes it more difficult to examine "consuming less" as a potential policy goal. Yet a growing field of literature suggests that reductions in consumption, if coupled with other changes, may not compromise life satisfaction but rather might improve it for many societies. For example, Knight et al. (2011) find confirmation for the hypothesis that meeting needs through social relationships and community ties rather than commodities decreases material consumption and increases well-being.

Heinberg, in "The End of Growth" (2011), argues that humanity has reached a fundamental turning point in its economic history. The expansionary trajectory of industrial civilization is colliding with non-negotiable natural limits; consumption *will* decline regardless of whether individuals and institutions want it to or not. In Heinberg's view, government (and civil society) should play a role in managing this transition: "economic contraction need not entail catastrophe and sorrow if the process is managed well."

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