

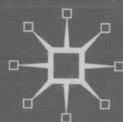
Energy, Climate and the Environment Series



The New Economics of Sustainable Consumption

Seeds of Change

Gill Seyfang



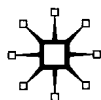
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Gill Seyfang

University of East Anglia, UK

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First published 2009 by
PALGRAVE MACMILLAN

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Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

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ISBN-13: 978-0-230-52533-7 hardback
ISBN-10: 0-230-52533-4 hardback

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Seyfang, Gill, 1969–

The new economics of sustainable consumption
seeds of change / Gill Seyfang.

p. cm. – (Energy, climate, and the environment series)

"The themes of this book were developed at a conference on Grassroots Innovations for Sustainable Development, held at University College London in 2005" – P.

Includes bibliographical references and index.

ISBN 978-0-230-52533-7

1. Consumption (Economics)–Environment of aspects–Congresses.
2. Consumer behavior–Congresses. 3. Economics–Sociological aspects–Congresses. 4. Environmental protection–Citizen participation–Congresses.
5. Sustainable living–Congresses. I. Title.

HC79.C6S49 2009

339.4'7–dc22

2008033418

10	9	8	7	6	5	4	3	2	1
18	17	16	15	14	13	12	11	10	09

Printed and bound in Great Britain by
CPI Antony Rowe, Chippenham and Eastbourne

Acknowledgements

I wish to acknowledge the UK's Economic and Social Research Council support for the research this book is based on, through research grant R000223453 and then through a six-year appointment in the Centre for Social and Economic Research on the Global Environment's Programme on Environmental Decision-Making (M545285002 and RES-545-28-5001). I further acknowledge the Research Councils UK for the award of an Academic Fellowship which has supported the writing of this book.

I am grateful for the time, energy and participation of the individuals and organisations who made this research possible. In particular, I wish to thank Dot Bane at Eostre Organics, David Boyle of the New Economics Foundation, Martin Simon at Time Banks UK, Athena and Bill Steen at the Canelo Project, Mike Reynolds of Earthship Biotecture, Kelly Hart and Paul Koppana in Crestone, Colorado, and Tony Wrench in Pembrokeshire. I am also grateful to the many local food, sustainable housing and complementary currency activists and participants who have shared their experiences for the benefit of this work.

The themes of this book were developed at a conference on Grassroots Innovations for Sustainable Development, held at University College London in 2005, and I wish to thank all the participants and speakers of that day. I co-organised that conference with Adrian Smith from the University of Sussex, and ideas we generated from that event form the basis of a co-authored Chapter 4 in this book and continue to resonate as I develop my work on grassroots innovations; I am grateful for his collaboration. Thanks also to Beth Brocket who provided research assistance during that summer.

Thank you to my friends and colleagues for their interest and enthusiasm, patience and encouragement during the writing of this book, and for feedback and advice throughout the process. In particular, I want to thank my partner David Eastaugh for his limitless support over this period.

Finally, thank you to David Elliott, series editor, for shepherding my book into his series and offering useful feedback along the way,

and to Olivia Middleton at Palgrave Macmillan for help and hand-holding. The publishers and I are grateful for permission to reproduce extracts from the following works:

- Seyfang, G. (in press) 'Avoiding Asda? Exploring Consumer Motivations In Local Organic Food Networks', *Local Environment* (reprinted with the permission of the publisher, Taylor & Francis Ltd)
- Seyfang, G. and Smith, A. (2007) 'Grassroots Innovations for Sustainable Development: towards a new research and policy agenda', in *Environmental Politics*, Vol 16(4), pp. 584–603 (reprinted with the permission of the publisher, Taylor & Francis Ltd)
- Seyfang, G. (2006) 'Sustainable Consumption, the New Economics and Community Currencies: developing new institutions for environmental governance', in *Regional Studies*, Vol 40(7), pp. 781–791 (reprinted with the permission of the publisher, Taylor & Francis Ltd)
- Seyfang, G. (2005) 'Shopping for Sustainability: Can sustainable consumption promote ecological citizenship?', *Environmental Politics*, Vol 14(2), pp. 290–306 (reprinted with the permission of the publisher, Taylor & Francis Ltd)

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1

Introduction: A Consuming Issue

Now you can be green and gorgeous, eco-conscious and highly fashionable, simply by buying the latest climate-friendly consumer products. Never mind marching on Whitehall or Downing Street, or giving up flying: all you have to do to save the planet is shop (Lynas, 2007: 4)

Shopping to save the planet is big business. The products we buy and the consumer choices we make are imbued with social and ecological implications, which we are increasingly called upon to consider in a move towards more 'sustainable consumption' patterns. The burden of managing those impacts rests on the shoulders of individual citizens, to be weighed up and counted alongside the many other – perhaps more pressing – concerns of affordability, convenience, availability, fashion, self-expression and taste. In this way, responsibility for environmental governance and decision-making in its widest sense is shifting from central government to new sets of actors and institutions, at a range of scales from international coalitions to individuals (Jasanoff and Martello, 2004; Adger *et al.*, 2003). A recent consumer book on reducing the greenhouse gas emissions caused by everyday lifestyle actions, ambitiously claims to be 'the individual's guide to stopping climate change' (Goodall, 2007).

Consumer awareness of environmental issues is slowly rising, but contradictions remain. A recent study found that while 78% of the public say they are willing to do more to avert climate change, the majority were taking only tokenistic actions at present (e.g. recycling) and were not inclined to question 'sacrosanct' behaviours such as

car-driving, flying on holiday, meat consumption and so on (Downing and Ballantyne, 2007). If a 'green consumer' can choose between different models of energy-efficient car, but cannot choose a reliable, accessible, convenient and affordable public transport system, then the scope for individuals to effect societal change is limited from the outset.

Sustainable consumption has been studied from a range of perspectives: economic, sociological, psychological and environmental. This book opens up a new field of enquiry by presenting a 'New Economics' model of sustainable consumption which offers the potential for radical change in socio-economic practices; it challenges many tenets of mainstream policy and individualistic green consumerism. The book examines how an alternative vision of sustainable consumption is practiced through innovative grassroots community action, such as local organic food markets, and community time banks. It investigates how new social institutions and infrastructure are created from the bottom up, to allow people to make more sustainable choices in concert with others. The central aim of this book is to examine some of these 'seeds of change' and assess their potential for growth and influence in wider society, as part of a transition to more sustainable consumption.

Sustainable consumption: a new green agenda

The term 'sustainable consumption' entered the international policy arena in Agenda 21, the action plan for sustainable development adopted by 179 heads of state at the 1992 Rio Earth Summit. This was the first time in international environmental discourse that over-consumption in the developed world was implicated as a direct cause of unsustainability. The proposed solutions included promoting eco-efficiency and using market instruments for shifting consumption patterns, but it was also recommended that governments should develop 'new concepts of wealth and prosperity which allow higher standards of living through changed lifestyles and are less dependent on the Earth's finite resources and more in harmony with the Earth's carrying capacity' (UNCED, 1992: section 4.11). These two proposals – the former suggesting reform and the latter a radical realignment of social and economic institutions – represent competing perspectives of the nature of the problem and its solu-

tion, and illustrate some of the tensions inherent in a pluralistic concept like sustainable consumption. Here we will refer to them as 'mainstream' and 'New Economics' perspectives on sustainable consumption (see also Jackson and Michaelis (2003), Jackson (2004b) and Seyfang (2004a) for other reviews of sustainable consumption discourses).

From its auspicious beginnings at Rio, the sustainable consumption agenda has evolved through a range of international policy arenas (see for example OECD, 2002a), and become more widely accepted as a policy goal. The more challenging aspects of its original conception became marginalised as governments instead focused on politically and socially acceptable, and economically rational, tools for changing consumption patterns such as cleaning up production processes and marketing green products. So the policy agenda has narrowed from initial possibilities of redefining prosperity and wealth and radically transforming lifestyles, to a focus on improving resource productivity and marketing 'green' or 'ethical' products such as fairly traded coffee, low-energy light bulbs, more fuel-efficient vehicles, biodegradable washing powder, and so forth. Hence sustainable consumption is implicitly defined as the consumption of more efficiently produced goods, and the 'green' and 'ethical' consumer is the driving force of market transformation, incorporating both social and environmental concerns when making purchasing decisions. As Maniates notes, "'Living lightly on the planet" and "reducing your environmental impact" becomes, paradoxically, a consumer-product growth industry' (2002: 47).

There is widespread agreement that the affluent lifestyles of the developed countries must shift towards more sustainable forms of consumption – although there is not necessarily any consensus about what that might be. Despite a growing consensus at policy level, there is still fierce debate about what precisely sustainable consumption means, among civil society actors and grassroots organisations. A range of different scenarios exist, from exhortations to generate 'cleaner' economic growth, through to the actions of anti-capitalist low-consumption lifestyle activists. In any given sector, wildly different prescriptions for sustainable consumption abound. In housing, for example, sustainable housing might be equally conceived of as high-technology eco-efficient modernity, or alternatively low-impact self-build straw-bale houses that recall a simpler,

more self-reliant age (Guy, 1997). Each represents a different idea of what sustainable consumption entails and should achieve, along with equally different prescriptions about what a sustainable society would look like.

In order to comprehend and unravel these contradictions, we need to find a way through the policy debates and conflicting models of sustainable consumption, to find a way of producing simple, coherent and above all, relevant strategies for sustainable consumption. There are a number of important questions to be asked: What drives current consumption patterns? Is it individual tastes and preferences, social institutions and norms, or processes of cultural identification? What links environmental concern with action? How do price and principle compete for consumers' attention when they make shopping decisions? And how can a more radical vision 'New Economics' of sustainable consumption be practised within a mainstream policy landscape?

This book aims to answer these questions by presenting a new synthesis of theory and fresh empirical work which examines sustainable consumption in action. To begin, this introductory chapter briefly sets out the problem and scale of unsustainable consumption, and then reviews current thinking on consumption drivers and the motivating forces which influence consumption decisions. Then two competing models of sustainable consumption are described: a mainstream approach and an alternative, New Economics model, in order to establish the primary theoretical framework for the remainder of the book.

Understanding unsustainable consumption

Economists see consumption in terms of the generation of utility, anthropologists and sociologists in terms of social meanings, and scientists in terms of the human transformation of materials and energy (Heap and Kent, 2000: 1)

What do we mean by consumption? The answer is not straightforward; it is the completion of economic circuits and the satisfaction of wants; it is the creation and maintenance of identity and lifestyles; it is the using up of resources; and for ecological economists, this resource use is limited by environmental constraints

within which all economic and social activity exists. Consumption is, of course, an essential process for all living things; we only achieve a zero-consumption lifestyle when we are dead. So our focus is not on consumption *per se*, but rather on the aspects of it which can be made more socially and ecologically sustainable – by which we mean able to meeting our own needs without compromising the ability of future generations to meet theirs (WCED, 1987).

Global consumption patterns are becoming a topic of increasing concern for politicians, environmentalists and social activists concerned with sustainability. It has become a much-quoted truism that consumption behaviour in developed countries must shift towards a more sustainable form, in order to address the enormous inequalities between rich and poor countries, while respecting environmental limits (UNCED, 1992; WCED, 1987; DETR, 1999). The 1998 Human Development Report describes the gross inequality of consumption patterns across the globe, and notes that while per capita consumption in industrialised countries has risen steadily, at an average of 2.3% annually, over the last 25 years, in Africa, household consumption is actually 25% less than 25 years ago. On a global scale, the 20% of the world's population in the richest industrialised countries accounts for 86% of the world's consumption (measured as private expenditure), while the world's poorest 20% have only 1.3%. The burning of fossil fuels, for example, has multiplied almost five-fold since 1950, and the pollution-absorbing capacities of the environment are threatened. A sixth of the world's land area is now degraded as a result of over-grazing and poor farming practices, and fish stocks are seriously depleted, with almost a billion people in 40 developing countries risking the loss of their primary protein source as a result of over-fishing driven by overseas demand for fish oils and animal feeds (UNDP, 1998).

As climate change has become the most pressing environmental issue facing humanity (IPCC, 2007), so too has the inequity of the consumption patterns which contribute to it been thrown into relief. The risks and benefits of emitting carbon dioxide into the atmosphere are sharply divided among the world's economies, with the developed world contributing the lion's share of emissions, while developing countries face the most dangerous impacts. Carbon dioxide emissions, a by-product from burning fossil fuels, are directly related to consumption levels through the energy used to manufacture,

grow, transport, use and dispose of products. While world per capita carbon dioxide equivalent (CO₂e) emissions from fossil fuel use is 4.5t, it varies dramatically across countries, from 20.6 t in the United States, 9.8t in the UK, to 1.8t in Brazil and 0.1t in Ethiopia (UNDP, 2007). The UK's Climate Change Bill is expected to become law by summer 2008 (DEFRA, 2008), enshrining in national legislation the Kyoto Protocol target of reducing the UK's CO₂ emissions to 60% of their 1990 levels, by 2050 (this goal was first put forward in a 2003 Energy White Paper (DTI, 2003b). This target is intended to stabilise atmospheric concentrations of CO₂ at between 450–550 parts per million, which is assumed to offer a reasonable chance of keeping global warming to below 2°C, so avoiding the worst impacts of rising global temperatures (Schellnhuber *et al.*, 2006). But new scientific evidence is emerging that this target is too low: the 2007/2008 Human Development Report points to the catastrophic impacts climate change will have unless stringent targets of around 80% cuts in greenhouse gas emissions¹ are set and adhered to in developed countries (UNDP, 2007). This translates directly into calls for radical changes in consumption patterns in industrialised nations. The UK Climate Change Bill focuses on the key contributors to the UK's CO₂ emissions, which for consumers relate to household energy use (fuel for heating as well as electrical power) and personal transport (private vehicle use and aviation).

However, the greenhouse gases embedded in what we as a nation *consume* are far greater than that in what we *produce*: developed countries export their carbon emissions to developing countries where manufacturing and processing occurs (Druckman *et al.*, 2007). The Carbon Trust's calculations of per capita CO₂ emissions are based not on production (the nationally-emitted CO₂ divided by population), but rather on consumption (tracking the emissions of all goods consumed in the UK), categorised according to 'high-level consumer need' (Carbon Trust, 2006: 1). A consumption focus highlights the environmental impact of food and other consumer goods

¹Although scientifically incorrect, carbon dioxide emissions are often referred to in the literature as simply 'carbon emissions'. Furthermore, this measure normally includes a range of other greenhouse gases with different global warming potentials (such as methane, nitrous oxide and hydrofluorocarbons), converted to carbon dioxide equivalents. The correct term is therefore 'CO₂e'. However, the UK Climate Change Bill focuses exclusively on CO₂.

and services produced overseas, which are commonly excluded from these calculations, and in turn suggests a different set of carbon-reduction policies to one focused on household energy use and transport. By counting not only direct energy use, but also indirect (embedded) emissions, this analysis reveals that recreation/leisure, space heating, and food/catering are the three categories of consumer need which contribute the most CO₂ to per capita emissions, suggesting scope for reduction in terms of some quite different areas of lifestyle than government production-focused policy attends to.

A focus on consumption as a route to sustainable development reveals much about inequality and inequity which a more traditional production-focused approach would neglect. It calls into question not merely the commerce, business and industry behaviour that economic development is traditionally concerned with, but rather the lifestyles, habits, aspirations and routines of individual citizens and households – an area of life normally considered outside the sphere of regulatory attention. A consumption angle furthermore opens up hitherto neglected arenas of ‘non-consumption’ decisions, and ‘non-market consumption’ (Princen, 2002a). By going straight to the heart of modern lifestyles, a consumption focus demands that we examine our most mundane decisions and routines for their impacts and implications, and that we question the economic, cultural and social basis of 21st century consumer societies.

What motivates consumption?

How is consumption behaviour determined and maintained, and how may it be influenced to change? Fundamental to the task of achieving behaviour change is an understanding of what drives current consumption patterns. Within the context of sustainable consumption scholarship, there have been a number of broad-ranging reviews of theories of consumer behaviour, which attempt to map out the theoretical terrain of consumer motivations, most notably Røpke (1999) and Jackson (2004b), each of which provide an excellent interdisciplinary overview of key theories of consumption and consumption drivers, both in theoretical abstract, and in historically concrete examples, drawing on insights from economics, sociology, anthropology, politics, cultural theory and psychology. A comprehensive review of theories of consumer motivation is

beyond the scope of this book, and the multitude of approaches can be classified according to one typology or another, depending on the purpose of the specific analysis to hand. In any case, it is axiomatic that divisions between social theories and approaches to consumption are never clear-cut nor absolute, and that whatever analytical design is imposed on the literature is for the purposes of convenience and illuminating a particular dimension of difference. Inevitably there are grey areas and examples that fall in between one category and another, but it is hoped that the overall benefit of structuring the theories outweighs the costs of inaccuracy and imprecision at times. With these thoughts in mind, for the purposes of this book theories of consumption are divided into three broad categories (shown in Table 1.1). The first is a utilitarian approach to consumption, belonging within traditional neo-classical economics,

Table 1.1 Theoretical approaches to consumer motivation

Type of Approach	Scale of Analysis	Decision-making	Consumption is	Example of Tools for Sustainable Consumption
Utilitarian	Individual	Cognitive information-processing on basis of rational utility-maximisation	The means to increase utility	Green product labelling; tax incentives for greener products
Social and psycho-logical	Individual	Response to social contexts and psycho-logical needs	Marker of social meaning, cultural differentiator, and satisfier of psychological needs	Social marketing to 'sell' greener lifestyles as desirable e.g. through celebrity endorsement
Infrastructures of provision	Society	Constrained by socio-technical infrastructure	Inconspicuous, routinised habit	Local food initiatives which bypass mainstream provisioning routes

which examines the behaviour of rational individuals in markets. The second looks at social-psychological drivers of consumption such as status display, group membership, and cultural norms, similarly at the scale of individual consumers. The third takes a societal perspective, and studies the socio-technical infrastructure and systems of provision which determine inconspicuous consumption behaviour. A fundamental distinction is made between individual and societal (structural) theories of consumption behaviour in order to better identify where responsibility lies for changing behaviour, and where the power of decision-making – and the scope for change – lies in each approach. However, following Giddens' structuration theory (Giddens, 1984), it is fully recognised that individuals are at the same time constrained by, and co-creators of, societal infrastructure, and that social institutions are reproduced through the daily actions of individuals. Each of these approaches is briefly reviewed below, exploring their theoretical and practical implications in terms of theories of behaviour change, as a basis for the subsequent discussion of sustainable consumption strategies.

The utilitarian approach

The conventional microeconomic view of consumption is derived in a rather circular fashion from assumptions about individual behaviour. It is axiomatic in neo-classical economics that individuals are rational utility-maximisers, that is to say they calculate and follow the course of economic action which brings them the most utility (benefit, pleasure or satisfaction) that they can afford. A typical microeconomics textbook states 'we assume that consumers seek to allocate their expenditures among all the goods and services that they might buy so as to gain the greatest possible satisfaction. We say that consumers try to maximise their satisfaction, or their utility.' (Lipsey and Harbury, 1992: 37). Individuals consume goods and services in free markets with perfect competition, and it is presumed that this behaviour reveals inherent preferences, and illustrates utility-maximisation, and so consumption acts as an analogue for human happiness or wellbeing. Questions of how preferences are formed, or how decisions are motivated, are sidestepped in favour of a 'black box' view of consumer preferences, so the theory rests simply on making inferences of value, based on consumer behaviour. In this approach, which underpins neo-liberal economic policy, economic