

# **Consumerism, Environment and Strategies for Sustainable Development**

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## **Abstract**

This paper shows how companies can drastically reduce their consumption of scarce natural resources in their value chain by designing, making and selling, products and services with a lower environmental impact. It describes how to implement sustainable practices such as cradle to cradle and the circular economy (where components and materials are repeatedly recycled) to design and manufacture waste free products of value to customers. It shows how the sharing economy – in which customers share products as pay as you go services rather than own and consume them – can boost customer loyalty and generate new sources of revenue. And it explains how some pioneering firms are using techniques such as upcycling to combine and integrate the principles of the sharing and circular economies, thus paving the way for the spiral economy: a virtuous system that generates ever more value while reducing waste and the use of natural resources. For many years, companies only paid lip service to sustainability as part of their CSR (Corporate Social Responsibility) and philanthropic activities. Recently, however several factors have forced developed world companies to take a more strategic approach to sustainability. Paul Polman of Unilever notes that world consumes 1.3 times more than the planet can replenish. Looking at the present scenario we will have to find materials that can be recycled, repaired and reused at the same time usage of materials that cannot be recycled needs to be reduced. We will also have to educate the consumers to take up the responsibility to reduce consumerism (buying things not immediately required). What is more important remains a question, economic development or sustaining the environment? Can there be a way where environment is taken care of and development can also continue without creating dump yards? Earth has enough for our needs but not enough for our greed. As citizens we may have to adopt more frugal life styles.

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## Introduction

Three factors environmentalists often point to as responsible for environmental pollution — population, technology, and consumption — consumption seems to get the least attention. One reason, no doubt, is that it may be the most difficult to change; our consumption patterns are so much a part of our lives that to change them would require a massive cultural overhaul, not to mention severe economic dislocation. A drop in demand for products, as economists note, brings on economic recession or even depression, along with massive unemployment.

As hinted above, *within* the current economic system of “perpetual growth”, we risk being locked into a mode of development that is:

- destructive, in the long run, to the environment
- a contributing factor to poverty around the world
- a contributing factor to hunger amongst such immense wealth
- and numerous other social and ecological problems.

Consumption patterns in wealthier countries increases demand for various foods, flowers, textiles, coffee, etc. Combined with more harmful products such as tobacco and illicit drugs, and with input-intensive agricultural practices (including using herbicides and pesticides) the diversion of and misuse of land and the associated environmental damage in unsustainable methods adds up.

Looking at the present scenario we will have to find materials that can be recycled, repaired and reused at the same time usage of materials that cannot be recycled needs to be reduced. We will also have to educate the consumers to take up the responsibility to reduce consumerism (buying things not immediately required). What is more important remains a question, economic development or sustaining the environment? The authors of the paper would like to focus on definition of the word to sustain, consumer and consummate, consumer appetite and environment relation. It also highlights National consumer policy, Frugality the Buddhist way and strategies adopted by some of the firms towards sustainability.

## Definition of the verb to sustain

Dictionary offers three definitions for the verb “to sustain”:

- To undergo or suffer (something unpleasant);
- To cause to continue or be prolonged for an extended period or without interruption;
- To strengthen or support physically or mentally.

The first captures many developed world perception of sustainability; that is, the sense that business is compelled to comply with environmental standards.

Sustainability is deemed to be incompatible with profitability. Some pragmatic business leaders adhere to the second definition, how resource scarcity could constrain growth. Some believe in the third definition and transcend the sustainability –versus profitability debate seeing sustainability as a competitive advantage.

Various firms provide the products and services to its customers. The customers consume the products and services directly or indirectly to satisfy or achieve their respective goals.

### **Consumers and consummate**

With multiple shopping avenues and items to choose from, are we able to discriminate as to what is essential or not essential? To effectively manage and change your habit you must anticipate what is coming next, so you can prepare for it. If caught by surprise, you may be in danger of being overwhelmed. This can be understood well with the help of boiled frog parable. Here the vessel and water is the market place, where ever it exists. Frog is the consumer who leisurely falls prey to market gimmicks and advertisements.

The parable of the boiled frog helps us to understand the key challenge in coping with variety of choices available and needs.

Suppose you want to boil a frog. How do you do it? You could place the frog into a pot of hot water, but as soon as it feels the heat, it will jump out. So, what can you do? Put a pot of cool water on the stove and then add the frog. Not sensing danger the frog will stay. Next, turn the burner on low to slowly heat the water. As the water warms, the frog relaxes. The warmth feels good. As the water gets hotter it acts like a steam bath draining away energy and deepening the frog's relaxation. The frog becomes sleepy and has less and less energy while the water is getting hotter and hotter. By the time the frog realizes its danger, the water is beginning to boil, and it is too late to take action. There is neither time nor energy left to do anything. The frog perishes in the boiling water.

What is the moral of the story? Be vigilant. Don't let unexpected eye charmers empty your pockets. Don't become a "boiled frog." Pay close attention to what is going on around you, so that you can notice when the "water" is getting hot.

In order to change your habit you need to be proactive. Don't suppose that things will just stay the same.

Being proactive about changing your habit means:

- \* Resisting falling into a rut of routine expectation.
- \* Being observant and actively searching for what is coming next.
- \* Actively monitoring information from as many different sources as possible.
- \* Listening to your intuition because your gut instinct may provide a warning.
- \* Taking some action as soon as possible, even if it is risk, because it may be riskier to do nothing.

Knowing far enough in advance what you need helps you to make proper plans and keeps you focused as a consumer. Knowing clearly what are your goals, what you already have, what can do with and what you can't do without. Socrates once said "I go to the weekly market place to see what are the things without which, also my life is comfortable". Consumer may think they are consummate i.e., expert and accomplished consumers but they may also fall in a similar frog trap. In the fast changing economy there is a need to change the habit before the crisis arises. Going frugal will save us from saving our environment and the planet.

In the modern whirlwind of change, don't wait until it is too late to act. Always be looking ahead. Don't allow yourself to become complacent. Don't become a boiled frog. Keep testing the water, so you can leap before you boil. The frugality in living and as a virtue has been described nicely in Buddhism.

The perpetual growth model comes from the ever increasing consumer appetite.

### **Consumer appetite and environment**

"Rising consumption has helped meet basic needs and create jobs," Christopher Flavin, president of Worldwatch Institute said in a statement to the press. "But as we enter a new century, this unprecedented consumer appetite is undermining the natural systems we all depend on, and making it even harder for the world's poor to meet their basic needs."

Approximately 1.7 billion people worldwide now belong to the "consumer class"—the group of people characterized by diets of highly processed food, desire for bigger houses, more and bigger cars, higher levels of debt, and lifestyles devoted to the accumulation of non-essential goods. Today nearly half of global consumers reside in developing countries, including 240 million in China and 120 million in India—markets with the most potential for expansion.

Increased consumerism evidently comes at a steep price. People are incurring debt and working longer hours to pay for the high-consumption lifestyle, consequently spending less time with family, friends, and community organizations. "Excess consumption can be counterproductive," said Gardner. "The irony is that lower levels of consumption can actually cure some of these problems."

Earth's water supplies, natural resources, and ecosystems exacted by a plethora of disposable cameras, plastic garbage bags, and other cheaply made goods with built in product-obsolence, and cheaply made manufactured goods that lead to a "throw away" mentality.

Globalization is a driving factor in making goods and services previously out of reach in developing countries much more available. Items that at one point in time were considered luxuries—televisions, cell phones, computers, air conditioning—are now viewed as necessities.

"Most of the environmental issues we see today can be linked to consumption," said Gary Gardner, director of research for Worldwatch. "As just one small example, there was a story in the newspaper just the other day saying that 37 percent of species [could become extinct](#) due to climate change, which is very directly related to consumption."

Some aspects of rampant consumerism have resulted in startling anomalies. Worldwatch reports that worldwide annual expenditures for cosmetics total U.S. \$18 billion; the estimate for annual expenditures required to eliminate hunger and malnutrition is \$19 billion. Expenditures on pet food in the United States and Europe total \$17 billion a year; the estimated cost of immunizing every child, providing clean drinking water for all, and achieving universal literacy is \$16.3 billion. Consumerism is always bad, adding little to our wellbeing as well as being disastrous for the planet. "[It's] a particular strand of overconsumption, where we purchase things, not to fulfill our basic needs, but to fill some voids about our lives and make social statements about ourselves," The increase in prosperity is not making humans happier or healthier, according to several studies. Findings from a survey of life satisfaction in more than 65 countries indicate that income and happiness tend to track well until about \$13,000 of annual income per person (in 1995 dollars). After that, additional income appears to produce only modest increments in self-reported happiness.

### **Buddhist Environmentalism and Frugality**

Buddhism commends frugality as a virtue in its own right. Once, Ananda explained to King Udena the thrifty economic use of robes by the monks in the following order. When new robes are received the old robes are used as coverlets, the old coverlets as mattress covers, the old mattress covers as rugs, the old rugs as dusters, and the old tattered dusters are kneaded with clay and used to repair cracked floors and walls. Thus, nothing is wasted. Those who waste are derided as "wood-apple eaters." A man shakes the branch of a wood-apple tree and all the fruits, ripe as well as unripe, fall. The man would collect only what he wants and walk away leaving the rest to rot. Such a wasteful attitude is certainly deplored in Buddhism as not only anti-social but criminal. The excessive exploitation of nature as is done today would certainly be condemned by Buddhism in the strongest possible terms.

Buddhism advocates a gentle non-aggressive attitude towards nature. According to the *Sigalovada Sutta* a householder should accumulate wealth as a bee collects pollen from a flower. The bee harms neither the fragrance nor the beauty of the flower, but gathers pollen to turn it into sweet honey. Similarly, man is expected to make legitimate use of nature so that he can rise above nature and realize his innate spiritual potential.

Are we as consumers becoming more responsible? As customer are we in a position to realize what our duty towards our natural environment is? There is, of course, no easy solution to the problem. Is there a consumer policy in India that educates its consumers regarding their responsibilities towards the natural environment?

### **National Consumer Policy in India**

The rationale behind the National Consumer Policy stems from Article 39 of the Constitution of India which has enshrined the Directive Principles to be followed by the State to ensure all-round welfare of the citizens of the country. The basic premise of the National Consumer Policy is to ensure that goods, services and technology are available to consumers at reasonable prices and acceptable standards of quality. The National Consumer Policy seeks to provide guidelines to different branches of the Government and agencies at all levels in maintaining the appropriate consumer dimension while taking any step or decision which will have an impact on consumers' interests.

In view of complexity of the market place and technology and impact of liberalization, the consumer needs to be protected. In the past, there was the system of barter and consumers did not have to choose from a large range—the allocation of resources was simpler. However, the situation has changed considerably. With the growth and dominance of the market place, consumers' interests and protection have taken a back seat. The perfect market place is a myth, and an economist's dream.

Consumption can affect the environment in many ways: higher levels of consumption (and therefore higher levels of production) require larger inputs of energy and material and generate larger quantities of waste byproducts. Increased extraction and exploitation of natural resources, accumulation of waste and concentration of pollutants can damage the environment and, on the long run, limit economic activity. Consumerism or excessive consumption can even do worse as long as it determines an increase in the amount of purchased goods.

Consumers will have to be made aware about their responsibilities towards the environment. Wise buying techniques will have to be incorporated into such programs to avoid bad debt. Bad debts are major concerns of many banks also. So, banks would also be interested in conducting such programs for the customers. University of California, Los Angeles study found that productivity is 16% higher in companies with green practices and standards. Employees also want a sustainable work environment. And a 2006 survey by mortgage lenders network USA found that 94 % of Americans prefer to work in energy efficient and ecologically sound buildings.

Consumer awareness and programs to educate the consumers will it be enough? There is also a need to go for more sustainable ways in production also?

### **Some of the Strategies adopted by some firms towards sustainability**

Consumers, Producers and prosumers all have to work in an integrated manner to raise the multiple value of resources in order to have a better living environment for all. Some firms and their initiative to reckon with the environment and sustainable development are mentioned below.

**Tarkett** the firm has radically changed the way it designs, makes, sells and maintains all its products, embedding environmental sustainability in every stage of product life cycle.

It has adopted eco design principles by creating products that use only good materials; that is, those that are abundant and easily replenished, do not harm people or the planet, and can be 100% recycled or decompose naturally.

It has reengineered its manufacturing processes and facilities so they consume less water and energy by installing closed loop water circuits in its production sites. Tarkett has reduced fresh and potable water consumption by 12%. Moreover it has increased its renewable energy share from 6% to 22% in 2013.

It has ensured that its indoor products for homes, schools, offices and hospitals are not harmful. Improving indoor air quality is crucial.

It strives to apply a cradle to cradle (C2C) design philosophy whereby it recycles all its products at the end of their life to make new products. In 2013, as part of its take – back programme. Tarkett collected and recycled 17,400 tonnes of post consumer and post installation materials, a 51% increase over 2012.

Steve Harward IKEA's chief sustainability officer recons: “ sustainability will be a decisive factor in terms of which business will be here in 20 -30 year's time. It is the future of business.

Lowry and Ryan were successful because they adopted an R and D approach that integrates the three core tenets of frugal innovation: quality, affordability and sustainability. Hence every method product is designed from the outset to be safe, effective and eco friendly, good looking and reasonably priced. There is no compromise or trade off.

C2C is not just a warm and fuzzy CSR practice; it is a game changing business practice – the cornerstone of the circular economy. Indeed C2C is essential for truly frugal innovation. By embedding into its business model, companies can create self sustaining products and services and drive up profits.

**Resource scarcity threatens the viability of businesses:** Given current rates by 2030 we would require two planets to supply the resources we need to absorb our waste. With 3 billion new middle class consumers worldwide projected over the next two decade, demand for energy, food, water and materials will drive up prices for natural resources. “We will run out of water long before we run of fuel” predicts Nestle's chairman, Peter Brabeck – Letmathe.

**Regulators demand greater sustainability from companies:** Governments in the US, Europe and Japan demand that companies create cleaner and healthier products.

In September 2012, the European parliament passed the Energy Efficiency Directive aimed at cutting EU energy consumption by 20 % by 2020. As a result, large European companies will have to make their supply chains more energy efficient. The European parliament also passed a stricter recycling law that requires electronic and electrical goods suppliers and retailers to collect and potentially recycle, 45% of all electric and electronic scrap by 2016, increasing to 65% by 2019. Policy makers are also pressuring companies to reduce water consumption. Regulators also want companies to reduce chemical usage in their supply chain. The US Food and Drug Administration has proposed a ban on transfats, and in New York a campaign by a former mayor, Michael Bloomberg, helped to ban sale of sugary drinks in school vending machines.

**Another sustainable strategy is biomimetics.** Also known as bio mimicry, which seeks to imitate the well adapted models and systems of nature and living organisms. These models and systems which have evolved over many millennia through natural selection, can inspire resilient and resource –efficient technologies and solutions. For instance, inspired by

the lotus flower Ispo a coating supplier has developed, Lotusan a self cleaning paint that wards off dust particles, thus reducing the need to wash the surfaces of walls or buildings. By using materials again and again, through multiple production cycles, and by adopting the resource – efficient design principles of bio mimicry, companies are able to significantly reduce their supply chain costs and pass these savings on to customers.

**Widening the sharing economy:** In a circular economy, a product undergoes multiple incarnations with its materials being recycled and used again and again – thus sustaining its value over multiple lifetimes. During any particular lifetime, however, the product is most likely to be owned and used by just one customer. But what if, during even a single lifetime or incarnation, the same product could be consumed by many users? The underlying premise of the sharing economy – also known as collaborative consumption – in which participants aspire to share access to goods and services rather than to have individual ownership. Sharing economy firms include Airbnb (sharing homes), Relay Rides, BlaBlaCar and easy car (sharing cars), ParkatmyHouse (Sharing parking spaces), BringBee (sharing trips to the grocery store), Wishi or Wear it Share it (choosing clothes), Eat with (sharing your dinner), yerdle.com (sharing household equipment with neighbours), Skillshare (sharing skills and knowledge) and Taskrabbit (outsourcing small jobs and errands). These services typically take advantage of the web and social media to enable ordinary people to monetize their time, space or knowledge or skills. The sharing economy also reduces waste by making excess capacity and unused resources available to those who need them most. By enabling products and assets fully utilized, the sharing economy increases their value.

**Turn waste into wealth:** The digital age promises to make us more productive and connected but it is also prone to pollution. Indeed, electronic waste (or e-waste) is growing three times faster than any other type of waste. In the US, it accounts for 70% of heavy metals in landfills. In their book Resource Revolution, McKinsey consultants Stefan Heck and Matt Rogers predict the rise of what they call “global recovery of waste (GROW)” companies. These use eco friendly, energy efficient processes to recover high – value materials from e- waste.

### **Conclusion:**

Rising consumption has been able to meet our basic needs and has also created jobs, but it also has an adverse effect on our natural environment. In our paper we have focused on consumerism, consumer education, frugality and some strategies adopted by some of the firms towards sustainable development.

According to Schumacher, societies should aim to achieve the “maximum amount of well-being with the minimum amount of consumption”.

The earth our living spaceship is increasingly filled with garbage and the air quality has become poor, landfills are increasing, e-waste is increasing by leaps and bounds, hospital waste is continuously on rise, etc., all this is further complicating the scenario bringing unexpected changes in climate patterns. In order to improve the situation all the stakeholders



will have to work together i.e., producers, consumers, governments, banks and environmentalists.

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