UNDERSTANDING THE COMPLEXITY OF CONSUMER BEHAVIOUR AND IMPLICATIONS FOR THE SUSTAINABLE CONSUMPTION DISCOURSE

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Abstract
Addressing climate change and the collapse of ecosystems without threatening the economy, while simultaneously improving the well-being of all people, and ensuring social justice and equality seems to be the largest challenge in the history of mankind. So far, all the efforts to address growing environmental and human problems through technological solutions and half-hearted policy measures have been largely outpaced by the growing population and increasing consumption levels. It is therefore increasingly important to understand how environmental impacts from rising consumption can be reduced, and for that we need to understand the essence, driving forces and the complexities of the phenomena – consumption. Looking at consumption from a societal perspective, we can see that purchasing and behavior decisions are influenced by many factors, including economic influences, marketing of products and technological innovations, regulations governing consumption, and not least by what the people around us and in the media are doing. The complex interactions between these factors result in the consumption patterns and levels that Europeans think of as “normal”, but which in fact are unsustainable and may bring us less happiness and life satisfaction than we imagine. A deep understanding of processes that shape consumption patterns and levels is needed if we are to promote sustainable ways of living. This paper reviews evidence on factors that shape and affect consumption so that we can better understand the complexity of consumption, as well as the relevance of these factors for instigating changes towards sustainable patterns and levels of consumption.
Keywords
Consumer behavior, disciplinary perspectives, sustainable consumption and production

1. Introduction
It is becoming increasingly clear that consumption patterns and levels are as responsible for the deteriorating state of the environment as production patterns (Tukker, Huppes et al. 2006). Therefore, addressing the environmental consequences of our daily purchasing choices and of macro-level consumption patterns is becoming an important focal point of research and societal efforts. However, before engaging in the discourse on possible strategies for reducing environmental impacts, it is important to understand the reasons behind the current consumption patterns and levels, the main drivers for consumption, and the main barriers for people and various actors in society to shift towards more sustainable consumption patterns and levels.

The main goal of this paper is to map out, from a multi-disciplinary perspective, the most critical factors that have influenced and shaped contemporary consumption patterns and levels. The secondary goal is to understand how the knowledge of factors shaping consumption can be useful for discussing strategies for achieving sustainable consumption. This paper analyzes formal institutional factors, which are seen as influencing consumption from economic, political, technological innovation, and business perspectives, and their implications for the discourse on sustainable consumption. For the overview of the social and psychological factors that shape the consumption patterns of individuals and groups see paper by Power, K. and O. Mont (2010). "The Role of Formal and Informal Forces in Shaping Consumption and Implications for a Sustainable Society. Part II." Sustainability 2(5): 2573-2592.

2. Economic Framework
The economic framework within which our society operates influences the way we consume and produce. For the last couple of centuries, classical and neoclassical economics provided such principles. One of these is the consumer sovereignty principle outlining that the tastes and preferences of consumers are given and cannot be influenced from outside; they can only be efficiently satisfied by the market. According to the neoclassical perspective, policy makers should be reluctant to instigate measures that intervene in consumers’ sovereignty and should treat the consumption domain as being beyond the reach of legal influence. Consumer sovereignty is often used to justify the deficit of consumption-oriented policies, even though the notion per se is disputed. First of all, according to other schools of thought, tastes and preferences do change in the long term under the influence of education,
advertising and cultural assumptions (Norton, Costanza et al. 1998), as well as social norms and infrastructure. Secondly, there are examples of governmental intervention in consumer choice when it comes to consumption of, for example, tobacco, pornography, drugs, and firearms: government regulation of such markets is justified on the grounds of these products’ impacts on health and safety. Similarly, governments can interfere in markets of product groups that have significant environmental impacts; this is already done in some cases, e.g., PCB or asbestos use. They can become even more involved in issues of choice editing, assisting or prompting businesses to remove the most environmentally damaging products from the market (Michaelis 2000). However, such interference into the sphere of products that have adverse environmental effects is often criticized by industry representatives.

According to neoclassical economics, one of the main drivers of consumption is the insatiable need of individuals to maximize their utility, which is achieved through a process of choosing among alternatives available on the market (Michael and Becker 1973). Consumer choice is in turn influenced by income, price, and the time available for shopping (Becker 1965). Thus, policy makers and businesses have a possibility of influencing consumers’ demands, and thereby shape consumption patterns and levels, by influencing prices and income levels.

Level of income greatly influences consumption levels; ability to earn depends on personal skills, the amount of time for work, and how well the skills are applied (i.e., labor productivity). Since levels of consumption are linked to the available budget, consumers are assumed to be interested in increasing personal incomes as a means of increasing their happiness. However, Easterlin (1973) suggested that happiness did not depend on absolute, but on relative income—one’s income level compared to the level of income of one’s reference group.

Consumption is also stimulated by competitive financial institutions offering attractive credits to consumers. Research demonstrates the direct correlation between residential prices and consumption growth, since people tend to borrow money using the value of their homes as collateral (Iacoviello 2004). In many countries, this situation leads to the accumulation of consumer debt (Cohen 2007). There is thus a need to rethink the social costs of using personal credit to stimulate consumption.

Another important factor that influences consumption is working hours. Along with increasing personal incomes, productivity growth could (in theory) reduce work time and provide more opportunities for leisure. The reduction of working hours does take place (e.g., in most of the countries in Western Europe), but at a rate that is far below productivity growth, and in some
countries, e.g., Japan and USA, working hours tend to increase. Higher incomes and less free time may, however, lead to increasing consumption, e.g., buying different time-saving energy-using devices and restaurant meals (Segal 2003). Shifting income to leisure time (working fewer hours for a reduced income and having more leisure time) has been named as one of the potential areas for governments to address unsustainable consumption (Ausubel and Grubler 1995; Sanne 2005; Coote, Simms et al. 2010). However, the question of whether time gained from shorter working hours is spent on non-commoditized activities or on more consumption is still debatable, e.g., (Sanches 2005) vs. (Jalas 2002). Shop opening hours are another time-related factor that directly influences consumption patterns and levels, by increasing the flexibility of the shopping experience. Having suitable shopping hours is therefore an important factor that affects when, what, where, and at what price products are consumed. For example, the changing lifestyles of modern consumers, toward becoming more flexible and harried, mean that night-time supermarkets are highly appreciated by parts of the population (Geiger 2007).

Although seeing consumption as a proxy for well-being is one of the main drivers of consumption, a growing number of scholars suggest that material wealth fails to provide happiness. In fact, the opposite seems to be true. Social life and leisure suffer as one’s time and energy are directed toward obtaining more money and material goods (Durning 1995). Indeed, many consumers in modern industrialized countries feel trapped in a work-and-spend cycle where they are trying to compensate excessive stress and a widening social and cultural vacuum through increasing consumerism (Schor 1999).

To summarize, it seems that “economics in its mainstream neoclassical form is failing to provide an intellectually coherent explanation of economic reality” (Ekins and Max-Neef 1992). It is also clear that neoclassical economics has failed to provide an understanding of people in their role as consumers and citizens that is useful for policy development in the field of sustainability. Other schools of economics, such as ecological economics or behavioral economics, might provide useful insights for developing policies addressing sustainable consumption.

3. Policies and Policy Instruments

Public policy, as one of the important institutions, shapes nearly all consumer decisions through its influence on different aspects of everyday life—from a simple permit to sell a product, to regulating prices of products and services. Policies and policy instruments may have direct or indirect influence on consumption patterns and levels. For example, consumer policy directly influences consumption by aiming to protect consumer sovereignty and consumer rights for access to products and services of decent quality that do not aversely
affect human health as defined in the European Consumer Policy strategy for 2007–2013 (Commission of the European Communities 2005), which has been criticized for lacking ambition with regard to addressing total levels of consumption.

Innovation policy is an example of policy that supports and stimulates the emergence of new products, thereby indirectly contributing to increased consumption (European Commission 1995). On the other hand, innovation leads to the emergence of more environmentally sound products, which reduces the impacts of products. However, it has been shown that efficiency improvements are often compensated for by increased levels of consumption—the so-called rebound effect (Hertwich 2005; Sorrell 2007). One contributing factor to the rebound effect is the increasing speed of the innovation process, urging consumers to buy new products even if old versions are still functional. Innovation as a process is also sometimes responsible for creating “artificial” human needs by inventing products that are not “originally” demanded by the market (Holt 2002). Innovation policy has, therefore, received significant criticism in recent years from environmental and sustainability scientists (Tukker, M. Charter et al. 2009).

Trade policies accelerate resource extraction and consumption by connecting countries and regions rich in natural resources (typically economically developing countries with low consumption levels) to countries of high demand for these resources (typically economically developed countries with high consumption levels). When looking at these policies from a perspective of sustainable consumption, it becomes clear that both trade policy and innovation policy are often based on the growth mentality, without consideration for the limits of non-renewable resources and the assimilating capacity of the Earth.

In addition to policies, there are a number of policy instruments that directly or indirectly affect consumption. Their design also mainly relies on the belief that inappropriate price signals and a lack of trustworthy and authoritative information are the main barriers to a more sustainable behavior in consumers, who would otherwise be committed to the goals of sustainable development. The majority of them focus on adjusting for market failures by providing more accurate information to consumers and in a few cases, by correcting prices through taxes and charges.

The level of taxes on various products and services clearly influences the final price, and thereby directly affects consumption patterns and levels. Taxes and charges are quite effective instruments for changing consumer behavior, compared to, for example, information-based instruments (Tukker, Diaz-Lopez et al. 2008). They can contribute to sustainable consumption by incorporating the environmental and social costs of products and processes into final prices and by taxing environmentally damaging products and activities. On the other hand, taxes as an economic instrument often face the problem of
public acceptance and heavy business lobbying. Studies demonstrate that “environmental policy packages” tend to have a more significant effect on individual behavior when implemented in combination with investments in related environmental services (OECD 2008). For example, in the area of transport, fuel tax and congestion charges tend to have a greater influence on people’s behavior when complemented by investments in public transport services, such as bicycle paths and buses.

Ecolabeling and similar information tools face a difficulty in that consumers have been shown to become easily confused by the amount and the diversity of the information (Leire and Thidell 2005). In addition, sociological and environmental studies demonstrate that provision of information does not necessarily lead to changes in attitudes, and even when it does, the change in attitudes does not always translate into behavior change (Pedersen and Neergaard 2006). Campaigns, especially the so-called “simple and painless” campaigns, can also give the false impression that by taking small steps, big changes can be realized. This is however not supported by scientific evidence, which demonstrates that if “everyone does a little, we’ll achieve only a little” (Crompton and Thøgersen 2009). Finally, a major weakness of information instruments, and specifically of awareness-raising campaigns, stems from the complexity of individuals’ interactions with society and with institutions and infrastructures that are largely not conducive to living sustainable lifestyles (Holdsworth 2003).

More comprehensive policy studies demonstrate that there is a lack of policy instruments which directly shape consumption into a more sustainable direction (Tukker, Diaz-Lopez et al. 2008). At best, these instruments shape consumption patterns by propagating markets of green products. The first decades of environmental policy have largely failed to acknowledge the pivotal role of changing consumers’ lifestyles and consumption levels. Seeing people only as consumers, means that consumer decisions to delay or avoid purchase—to stay away from shopping and the market economy—are not taken into consideration (Peattie 2001). This also robs people of another alternative—to satisfy their needs in less materialistic ways and to aspire to personal development rather than to “keeping up with the Jones”. The current policy instruments for sustainable consumption are limited to the choices consumers can make within the formal market. This means that people who are unable, cannot afford to, or are simply not willing to participate in the market have little opportunity to be heard (Holdsworth 2003).

4. Technological Innovation
To keep the economic wheel turning and to satisfy the growing number of consumers with the growing number of products per capita, production systems were and are being made
increasingly efficient in terms of labor productivity, but have experienced a much slower increase in resource productivity, with consequent adverse impacts in the form of increased resource extraction and escalating pollution to the environment. The current system of mass production develops and manufactures relatively short-life products (Cooper 2002), with planned obsolescence becoming a science in its own right. The positive effect of shortening life cycles is that replacement products might be more efficient. However, looking at the car market, fuel efficiency only started to improve in the last few years and thus upgrading of cars before this time can hardly be justified from the resource use perspective. Designing products for durability, repair, and reuse is not economical, as labor costs in developed countries are prohibitively high, while costs of resources are relatively low. A study demonstrated that during 1981–1994 the price of new TVs increased by 20%, while the cost of repair work rose by over 150% (Consumers International 1998: 20). The result of this is that people generally find it cheaper, easier, and more attractive to replace a faulty item by buying a new product, rather than researching how to repair it.

As technological improvements are made, the price of new technologies drops and demand increases, allowing the suppliers to benefit from economies of scale. As production volumes increase, so does competition, which further presses down prices, making products more affordable and available to the masses. This leads to an increasing number of products per households (IEA 2009), in addition, households may now own several identical items. In addition, technologies generated as stand-alone products at first, may later give rise to a number of support products or to new product systems, infrastructures, social practices, institutions, and even entire cultures.

Both scientific and technological innovation can greatly contribute to creating a more sustainable society. However, we should remember that technology is a double-edged sword: it can serve both constructive and destructive purposes. So far, however, technological innovation and the policies for promoting it have been largely focused on R&D spending and on subsidizing specific technologies without much consideration for their impacts on sustainability. National systems of innovation tend to be guided by goals of maximizing competitiveness, rather than by sustainability goals (Andersen 2004). Thus, a more coherent approach to innovation for a low-carbon sustainable society is needed. This suggests that technological innovations need to be governed with awareness of moral codes and by prioritizing the common societal good.

5. Infrastructure

Urban planning and construction policies steer public investment in infrastructure and thereby have a significant influence on consumption patterns. Infrastructure is an essential
enabling factor for growth of consumption. Its development is partially linked to the cycles of innovation and partially to the changes in demographic trends within society.

Infrastructure has been seen as both a constraint and a driver of consumption. The very nature of infrastructural networks can explain this duality: stability and access on the one hand and rigidity and lock-in on the other. Infrastructure systems usually require consumption in their own right, according to Warde (1997), whilst encouraging further consumption of associated products. They create mutual “pathways of dependency” between social and technical parts, between users and providers, between investments and long pay-back periods, between the present and the future. Large investments into these systems stimulate the natural desire of the investors to increase their use or their consumption in order to accelerate return on their investments. In addition to these features, infrastructure has a relatively long life. Therefore, systems of provision may, at a certain point of time, become a barrier to change. This relates to road and bridge networks, as much as to communication lines and electricity grids. One example that can illustrate how infrastructure becomes a burden to society is the telephone landlines network in industrialized countries. With market saturation of mobile phones, the traditional landlines are becoming outdated. It is therefore a strategy for developing countries to leapfrog the stage of infrastructure development for telephone lines and directly invest in mobile network systems.

The idea of pathways of dependency shares certain similarities with the idea proposed by Sanne on “lock-ins” (Sanne 2002). The most exemplary and interlinked areas are housing and mobility. The existing settlement structure and associated planning procedures for the construction of new cities shape people’s behavior for many years to come. In turn, people’s wants and needs also affect the settlement structures. For example, many people prefer living in low-density one-family housing, and this is one of the main contributors to urban sprawl. This facilitates the development of highly dispersed communities, and consequently affects the distances travelled by people between home, work, shopping centers, and other facilities. Covering these distances largely relies on using private cars, and sometimes several cars per family.

A widespread car culture enables retailers to move premises to city outskirts reachable mainly by car, thereby creating social inequality by restricting access to shops for car-less people. This move also deteriorates city centers and shifts shopping, as well as cultural life, to shopping malls, since nowadays they also incorporate cinemas, ice ranges, and bowling halls.
People do not usually have much choice but to use the available infrastructure. Even when people want to live more sustainably, they sometimes find themselves “locked-in” to existing patterns of behavior by the infrastructure around them, as well as by economic regulations, such as taxation, subsidies etc. that promote certain patterns of behavior over others (Van Vliet, Chappells et al. 2005). For example, various subsidies to the aviation industry ensure that flying is a cheaper alternative to rail or bus travel in many situations, thereby encouraging more unsustainable transport and tourism.

On the other hand, recent ideas of distributed, localized economies are built on totally different principles than those that underpin current infrastructures. In these new systems, people are viewed as active participants in both production and consumption—as the so-called co-providers of utility. The current large-scale, centralized, or highly hierarchical systems of provisions (electricity, water, waste management, etc.) are transformed into small-scale distributed systems of production and consumption that might be interconnected and sell utility to the central network (Southerton, Chappels et al. 2004). Examples of these new distributed systems can be found within the energy sector, where communities or individual households install photovoltaic cells or wind power units, or use geothermal energy to produce electricity that covers household needs, with excess sold to the central electricity grid, often at a fixed price that guarantees the individual producer the price, and allows concrete planning of pay-back time for the investment.

An important role of sustainable infrastructure is to enable, support, and normalize more sustainable lifestyles. Sustainable infrastructure, with the support of proper policies, should ensure that consumers have the possibility of spending their money on more energy-efficient, low-carbon and socially-responsible infrastructure systems. However, as long as decisions regarding infrastructure are made to satisfy the private interests of a few stakeholders, rather than the long-term societal goals of sustainability and prosperity for all, change towards more sustainable infrastructure is unlikely. Some recent studies depict scenarios of how life in a decarbonised world might look and what kind of infrastructural changes might be needed (Heaps, Erickson et al. 2009).

6. Business Factors

In the classical market economy, the main goal of business is to make money by continuously increasing sales of products and services, linking the volume of profit to the number of products sold. The traditional business models are therefore based on the following principles: linearity, planned obsolescence, and stimulation of ever-growing consumer demand for new products and services.
Some experts, supported by a handful of businesses, e.g., Xerox, DuPont, and Interface, propagate a closed-loop economy, designing for long life, as well as design strategies for durability and recycling (Wells and Seitz 2005). Others propagate the so-called service economy as an alternative to the throwaway society (Stahel 2006), in which negative economic impacts from slower throughput of products are offset by repair services, reuse of products, and remanufacturing activities. In practice, however, there is little happening that could indicate that the shift to the service economy or widespread remanufacturing activities is taking place.

On the contrary, we are witnessing the emergence of ever-shortening fashion cycles with companies and retailers advertising new clothing collections every week. New business models have also been developed to stimulate increasing consumption by expanding the main principles of successful production into the consumption sphere: efficiency, predictability, calculability, and control. This trend has been coined McDonaldization by Ritzer (1993) and is based on the idea of rationalization that was developed by classical sociological theorist Max Weber (1968), who predicted the extension of rationalization from production to other spheres of life, including consumption. Similar ideas reflecting commoditization, rationalization, and globalization of business models and consumption patterns can be found under the names of McDisneyfication and Coca-Colonization.

Governments can help by supporting innovative business models that are not necessarily built on the premise of selling more material products, but on the idea of creating value and generating profit from satisfying consumer needs through access to, and use of, products (Mont 2001). One way to do this is to extend producer responsibility along the entire product life cycle. This would reposition consumers as users, where rather than being purchased, products are hired/leased/rented for as long as the product is needed, the so-called product-service systems (PSS) (Mont 2004). Examples of product-service systems already exist in many sectors: car sharing, washing services, chemical management services, demand-side management, least cost planning, etc.

In PSS, consumers pay not to buy material goods, but to use them. Ownership and consumer satisfaction still go hand-in-hand for the majority of people (e.g., car ownership versus use of public transport). Thus, the right package of stimulating and discouraging measures is key to making progress. In this way, there is a decoupling of business profits and consumer spending from material flows in society. This means that low-price, average quality products, with low margins for producers, can be replaced by fewer, high quality products that act as capital assets for producers since they generate functional units, for which consumers are paying. This model thus creates an incentive for producers to design
durable products and to foresee product return for disposal, meaning that design for remanufacturing and cradle-to-cradle becomes a profitable and natural business (Mont 2001). In this way, a cyclic economy can be created with much slimmer material flows and associated environmental and social impacts, and with much lower emissions (since producers can afford to design environmentally sound goods and consumers can afford to pay for using them). The cyclic economy presents a new sphere in each sector of manufacturing, which has the potential to re-create value and create jobs.

However, ecological tax reform is needed to stimulate PSS business models and a closed-loop economy, since they are labor intensive—and current labor costs and taxes on labor are very high in most industrialized countries compared to resources; in the EU, in excess of 80% of all taxes are income related. The proposal to shift the tax burden from labor to environmental impact and resources creates a win-win situation for employment and for reduced resource use, by encouraging business innovation in energy and resource efficiency.

Together with policies for a more sustainable and low-carbon economy, it is important that governments stimulate environmentally and socially responsible businesses that not only improve their own performance by greening their sites and products, but which also stimulate changes upstream and downstream in the supply chain.

7. Marketing and Advertising

Today, consumer choices are strongly influenced by media, advertising, and the behavior of celebrities (Boykoff and Goodman 2009). With the increasing consumer exposure to different media channels, such as radio, television, newspapers, and the Internet, the power of media to shape consumer preferences is steadily increasing. Even other cultural media that are not directly associated with advertising, such as public debate, popular music and movies, the visual arts and novels, all shape the way we consume and how we relate to material products.

Besides the increasing pressure and the sheer volume of the advertising industry, there are ongoing changes in the advertising messages and how they are transferred to the simultaneously changing target audience. First of all, the nature of needs that ought to be satisfied by the advertising industry is changing. Since the basic needs of most people in modern industrialized economies are being largely fulfilled, there is a need to continuously create new needs (more information about this phenomenon can be found in (Power and Mont 2010). In this task, the role of technological development and innovation is irreplaceable.
As a result of the need to continuously stimulate higher consumption levels, the nature of marketing and advertising is changing. Previously, advertising mostly focused on product performance. Nowadays, advertisement aims to create consumers who are unsatisfied with what they have and therefore advertising increasingly targets feelings, rather than providing information. From being solely a push strategy, advertising is becoming more and more of a pull strategy, e.g. buzz marketing (Kotler, Wong et al. 2005): capturing the attention of consumers and the media to the point where talking about a brand becomes entertaining, fascinating, newsworthy, and desirable. To support this trend, advertising is changing from being mainly verbal to being more visual (Söderlund 2006). Selling feelings rather than information is closely linked to another trend of thinking: that not merely products are being sold, but entire lifestyles, e.g., the Zara or Laura Ashley lifestyle, and companies sell different product lines from clothes to furniture, home styling products, etc. to represent a certain lifestyle. The result is that often, the marketing strategy of products is a stronger determinant of success than product quality.

The advertising industry is also expanding its audience, diversifying to children (Barber 2007) and re-developing gender differences, which creates a playing field for developing and selling products customized for the different target audiences. For example, according to Schor (2004), an average 10-year-old has memorized about 400 brands, the average kindergartner can identify some 300 logos.

One of the latest additions to the marketing portfolio is the employment of neuroscience, which enables marketers to understand how consumer decisions are made, even when consumers themselves cannot explain their behavior (Belch and Belch 2007). One impetus for the application of neuroscience in marketing is that consumers are overloaded with information: “consumers are overwhelmed by commercial messages, and advertisers know it” (Belch and Belch 2007: 103). Marketers and advertisers are turning to neuroscience to make sure their advertisement reaches the correct part of the brain, and does not get lost within the constant stream of “marketing noise”.

To help address the problem of “marketing noise”, and to safeguard the truthfulness of the information contained in advertising and marketing, policy measures have been introduced in recent years in many countries to ensure that the consumer information on the market is correct and not misleading. One of the latest additions in this respect is the EU Directive 2006/114/EC concerning misleading and comparative advertising (Commission of the European Communities 2006). The latest area that this type of legislation covers is the environmental and ethical claims of companies. It is usually consumer protection agencies that police such claims.
The marketing and advertising strategies currently used to promote non-sustainable consumption patterns could just as easily be used to promote environmentally sound products and more sustainable lifestyles. Advertising tends to be commissioned by businesses, and in turn, many of those businesses rely on high volume sales of material products. It is therefore unsurprising that current advertising and marketing encourages high levels of material consumption. Those companies that have redefined their business models and started promoting alternatives, such as product-service systems, have an alternative message that focuses on increasing value-added for the customer, improving customer satisfaction through establishing long-term relations with them, and securing the function provision for as long as it is required by the customer.

Advertising and marketing are perhaps the most powerful tools that can be employed to create attractive visions of more sustainable futures and lifestyles, products and services, as well as to educate and engage consumers on how to translate these visions into everyday practices. Many examples demonstrate the power of media and advertising in creating more sustainable societies (OECD 2008).

8. Conclusions

This study analyzed a number of forces that act at institutional and individual levels, which influence each other and affect the way people perceive themselves, their aspirations, and how they undertake and react to changes that might be necessary for achieving a more sustainable society. One of the unsurprising conclusions is that understanding the forces that influence and shape consumption is an incredibly complicated task. However, disregarding these forces will make the efforts of changing consumer behavior futile.

One of the major factors that drive consumption is the main premise of the neoclassical economic paradigm: that continuous economic growth (which is mainly based on ever-increasing growth in production and consumption of material goods) is necessary and desirable. This idea simply cannot work in the world of finite resources, as is also suggested by the economist Kenneth Boulding: “Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist” (NEF 2009).

Adopting more sustainable patterns of consumption is an important step, but is definitely not sufficient given the scale of change required to create sustainable consumption. More fundamental systems-level changes are needed in order to reduce overall levels of material consumption. As suggested by Meadows, fundamental changes in society are needed, and the most effective leverage point is to transcend the current paradigm of economic growth and to change the mindset and value basis of society (Meadows 1999).
The importance of systems thinking is also apparent when we consider how to promote sustainable consumption. The limits of the spill-over effect on sustainable behaviors and the limits of efficiency measures (as demonstrated by rebounds effects) make it necessary to target entire ways of life that are currently based on normalized unsustainable consumption, rather than focusing on changing individual behaviors. Similarly, a focus at the individual level is misguided: the social norms and values underlying mainstream society have the most significant impact on consumption behavior; thus, policy intervention should take place at this level.

However, governments often feel constrained in their ability to implement more radical reforms—reforms on the scale required by the environmental challenges faced—due to current lack of public support and intense lobbying from industry and private stakeholders. Again, this leads to the conclusion that technical policy interventions alone will prove insufficient for society to achieve sustainable consumption patterns: a paradigm shift which redefines the values and norms that underlie the way we choose to live is required. Therefore, it is important to not only consider formal institutional factors that influence and shape consumption, but also factors of individual and collective human behavior that guide their consumption, analyzed in Power and Mont (2010).

References


