Changing Consumer Behavior
Towards Sustainable Consumption

Tokyo, Japan
March 19-20, 2003

Gregory A. Norris
Sylvatica / Harvard School of Public Health

Outline

1. Defining Sustainable Consumption
2. Methodological Proposals
   - Enhancements to LCA
3. Changing Consumer Behavior
   towards Sustainable Consumption
   - Typology of strategies
   - A meta-methodological proposal:
     A framework in which to embed our
     SC (and CP) tools development and application

1. An End-Oriented Conception of Sustainable Consumption

Households meeting their needs in ways that enhance the ability of present and future generations to meet their needs.

(For more details, please see conference paper, and 2003 report to Mitsubishi Research Institute, Inc.)
2a. Methodological Requirements

- Understand consumer motivations
- Evaluate impacts on need satisfaction
- Model consumer interactions & markets

2b. Methodological Tools

- Understand consumer motivations
- Evaluate impacts on need satisfaction
- Model consumer interactions & markets

Example: Housing

- Shelter AND community, education options, safety
- Individual actions \( \rightarrow \) un-planned macro-structure, emergent settlement patterns: (e.g., Jacobs 1961)

Methodological tools required:

- Agent-based modeling
- Markets/scarcity/price

Methodological Proposal

- Agent-based modeling of consumer behavior
  integrated with
- Dynamic modeling of economy and markets

Adaptive Agent Model: Consumption

Jager, 2000
3. **Really** Changing Consumer Behavior Towards Sustainable Consumption

- Typology of strategies
- Embed our tools and analysis in a system that
  - Inspires consumer action
  - Addresses global sustainability
  - Harnesses natural selection for *public* goods
  - (and happens to benefit the private economy, too.)

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical alternatives / rearrangements</td>
<td>Efficiency (mpg); Technology (electric car); Infrastructure (new railway)</td>
</tr>
<tr>
<td>Regulation / Enforcement</td>
<td>Product characteristics / composition; trade agreements</td>
</tr>
<tr>
<td>Financial-economic stimulation</td>
<td>Subsidies &amp; discounts; taxes &amp; fines;</td>
</tr>
<tr>
<td>Social and cognitive stimulation</td>
<td>Information about problems/impacts; Social modeling and support</td>
</tr>
<tr>
<td>Inspiration</td>
<td>Shifts of values, of quality-of-life ideals, of perceived relation to others, nature</td>
</tr>
</tbody>
</table>

*Derived from Jager 2000*
SC Priorities from Oslo, Paris:

- Eradicate poverty & improve environment?
- Broaden inspired consumer segment
- Broaden involved industry segment
- Broaden from green → sustainable
- Integrate / combine eco-labels
- Drive true progress, yet with simple info
- Government reluctant to “pick winners”
- Business case is shaky, marginal

The “New Earth” Initiative

- Enable consumption choices to drive direct global investment in human and economic development
- All companies eligible and benefit from participating
- Internationally “brand” beneficial activity
- Engage citizens in voluntary actions which multiply, increasing involvement and motivation
- Embed our tools and methods within a catalyzing set of feedback loops between human well-being and the economy

Direct Investment + Environmental Progress

- New Earth label: for companies that
  1. Invest at least 1% of profit in a fund for:
     - Cost-effective, proven poverty reduction
     - Sustainable enterprise = capacity development
  2. Participate in “Better & Better” program
     - Engage stakeholders in broad assessment
     - Transparency: web-based documentation and peer-review of
       - Process to define sphere of influence, metrics
       - Targets
       - Achievements

Engage consumers to improve consumption sustainability

- Engage at community/neighborhood level via broad cross-section of issues
- Prioritization + impact evaluation tools: household “Better & Better” program
  - Process to define sphere of influence, metrics
  - Targets
  - Achievements
New Earth Member Companies

Continuous, transparent, stakeholder-driven improvement

Ecolabels, LCA, GRI, … = tools

Venture Capital & Capacity for Sustainable Enterprises

Poverty eradication, human development

How to motivate consumers?

- Credibility
  - Link to UN agencies, prominent NGOs
  - Transparency and peer-review

- Simplicity
  - Single brand/label is symbol of detailed activity
  - Magnitude of impact
    - Global impacts totaled and reported

- Scope
  - Global
  - Sustainability: human, economic, environment

- Equity
  - Funding distributed on per-capita basis

- Engage, connect at community level

Self-determination

- Funding goes to each country on earth, on a per-capita basis
- Countries establish (with UNESCO coordination) rotating civil society panels
- Detailed methods for panel formation are country-specific
- Panels periodically peer-reviewed
  - Transparency
  - Lack of corruption, conflicts of interest
  - Effectiveness of investments
- With growth, panel regions split
How avoid bureaucracy, “world government”?

- New Earth doesn’t *do* anything; it simply routes voluntary private funding through equitable, transparent, peer-reviewed and learning channels to stimulate innovation in sustainable human & economic development
- New Earth is a virtual organization
- There will be no permanent New Earth employees
  - Necessary personnel “on sabbatical” from permanent positions elsewhere

Business Case, Part 2

- Citizens of the world ("consumers") catalyze the business case for membership
- Donations of pennies to New Earth Wells at retailers
  - Fund New Earth directly, no overhead
  - Count towards nominating the retailer
  - Nomination threshold is 0.1% of turnover (~ 1% of profit)
- Nominated retailer has 1 year to decide:
  - Join, with 1st year membership paid by world’s citizens, or
  - Reject nomination; eligible to join in any future year by paying back-dues
- Nominations also via
  - Online specification of “adder” percentage
  - New Earth credit cards with selected adder percentages
In conclusion

www.NewEarth.info (April 1, 2003)