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## **Chapter 2**

# **Sustainable Consumption and Production in Asia — Aligning Human Development and Environmental Protection in International Development Cooperation**

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### **2.1 The Evolution of the Global SCP Agenda**

The broader concept of sustainability can be viewed as a crisis management concept; it emerged out of the growing conflict between economic development and the ecological boundaries within which its activities and impacts must be contained. Sustainable consumption and production (SCP) then emerged as a practical approach to achieve human well-being, the supposed objective of development, within this crisis management concept of sustainability. An assessment of recent history of the co-evolution of the two concepts would show that SCP has rapidly evolved as an integrative framework for the various dimensions of sustainability, as well as the nuts and bolts of sustainable development (SD) [Akenji, 2014; Chappells and Trentman, 2015].

This chapter looks at the recent evolution of SCP as a concept, from the perspective of the global United Nations (UN) policy process, with examples of how this has been reflected in Asia [Akenji, 2012; UNEP, 2012a; Zhao and Schroeder, 2010]. The intention is not to provide a comprehensive history, but to situate SCP in Asia within the larger SD discourse and to highlight some features that could be built upon to facilitate institutionalisation of SCP patterns in the region.

Sweden's proposal from 1986 to the UN General Assembly to convene a conference on the human environment was a ground-breaking step. Although the specific term 'SCP' had not yet been coined, in the run-up to the first UN conference in 1972, effects of industrialisation on society and the environment were perceived in a very limited scope — such as air and water pollution, poor waste management, and the consequences on cities and communities. They were largely treated as isolated issues that were site-specific and, in most cases, left to be dealt with at the local level without any broad national legislation. The 1972 UN Conference on the Human Environment held in Stockholm was the first time discussions were convened in an action-oriented manner at the global level on the patterns and consequences of industrialisation. The conference produced a Declaration that contained an Action Plan with 109 recommendations, and a set of 26 “common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment” [UN, 1972] (see Table 2.1).

The 1972 Stockholm Declaration expressed the good will of the signatories; the outcomes are still very relevant in today's context, over 40 years later. Even to the extent that the conference exposed interdependence among countries and the transboundary environmental impacts of one country's development on another, the issue was not yet as politicised as is currently experienced in global policy processes.

The 1980s saw the development of a cleaner production approach to policy making. This was as a strategy to increase efficiency of natural resource use and waste minimisation, and also a precautionary approach to reduce pollution impacts and health risks from production. Here the focus was on impacts of manufacturing activities on the environment. It largely involved the application of new technology for maintenance or improvement of production processes to achieve economic savings or

Table 2.1: A timeline of SCP-relevant UN summits

<b>Year</b>	<b>1972</b>	<b>1992</b>	<b>2002</b>	<b>2012</b>	<b>2015</b>
UN summit	Conference on the Human Environment	UN Conference on Environment and Development	World Summit on SD	UN Conference on SD (Rio+20)	SD Summit
Outcome document	Action Plan for the Human Environment	Agenda 21	Johannesburg Plan of Implementation	The Future We Want	The 2030 Agenda for SD
Relevance for SCP	26 environmental principles, including SCP	Chapter four specifically covers sustainable consumption	Call for 10-year global programme on SCP	Adopting 10YFP and calling for Sustainable Development Goals (SDGs)	SDG12: Ensure SCP patterns

increased efficiency. The publication “Global Outlook on SCP Policies: Taking Action Together” [UNEP, 2012b] shows that the historical practice of SCP shifted from an end-of-pipe approach of the 1970s to a cleaner production approach as follows:

- from reactive measures, a preventative approach to environmental damage (like pollution prevention) was applied,
- problems were more likely to be addressed through the source of impact,
- instead of single-pollutants, multi-impact pollutants were targeted,
- from optimising throughput in production chains, the more complex approach of addressing entire material cycles became more widely accepted,
- approaches to solutions went beyond improving single-company processes to improvements in the wider supply-chains.

The 1990s would see further shifts, even if somewhat limited, towards more systemic approaches. Production efficiency was upgraded and characterised as eco-efficiency. The United Nations Industrial Development Organisation (UNIDO) and United Nations Environment Programme (UNEP) jointly launched the Cleaner Production Programme in 1994 for the establishment of National Cleaner Production Centres or Programmes to support actual implementation of and capacity building within eco-efficiency approaches. A slowly increasing understanding of a life-cycle perspective to analysing impacts of products and services meant that beyond just producers and technical fixes, all stakeholders and all stages in the production–consumption systems needed to be involved in solutions. Although this was still primarily centred on products and production process modifications, it clearly established the notion of sustainable consumption as the other side of the coin, and a complement to cleaner production. This evolving conceptual understanding of the interaction between and the critical importance in addressing consumption and production in articulation of sustainability was endorsed and promoted by the 1992 UN Conference on Environment and Development in Rio de Janeiro (Rio Conference).

The Rio Conference is marked as the first time at a global agenda-setting level when world leaders acknowledged the widespread environmental

degradation resulting from our production and consumption patterns. Principle 8 of the Rio Declaration on Environment and Development proclaims that “to achieve SD and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption ...” Agenda 21, also adopted at the same conference as a blueprint for action, highlights two broad objectives towards achieving SCP:

- (a) Promote patterns of consumption and production that reduce environmental stress and meet the basic needs of humanity.
- (b) Develop a better understanding of the role of consumption and how to bring about more sustainable consumption patterns.

Critical to developing countries, Agenda 21 also acknowledged the imbalances in consumption between different income groups and among countries at different levels of development, noting, “Although consumption patterns are very high in certain parts of the world, the basic consumer needs of a large section of humanity are not being met. This results in excessive demands and unsustainable lifestyles among the richer segments, which place immense stress on the environment. The poorer segments, meanwhile, are unable to meet food, health care, shelter, and educational needs.” The agenda recommended a “multi-pronged strategy” in pursuing SD at the international level, “focusing on demand, meeting the basic needs of the poor, and reducing wastage and the use of finite resources in the production process.”

The momentum of the Rio Conference and the ambitious outcomes failed to see practical changes in the following decades; multiple studies showed more apparent impacts of increasingly unsustainable patterns of consumption and production. Observers noticed a number of contradictions. The so-called rebound effect became very apparent: Most of the sustainability gains made due to increases in efficiency of energy and material use had been lost because of the sheer increase in the total volume of consumption [Jackson, 2009]. Because products were getting more efficient and cheaper, people could afford to buy more units than they did before; an increasing population further compounded this trend coupled with many people having more disposable income.

Monitoring results of previous policy efforts and actions showed that there was an “implementation gap” — most of the work done ended up on paper and did not translate to action, with trends showing a decreasing level of activity. Another important gap observed by behavioural sciences was the knowledge–action gap [Barth *et al.*, 2012]: even when people were aware of the environmental problem and had the information about more sustainable options for products or services, for the most part, actual action did not reflect that awareness. Information is sometimes not enough — eventually the more sustainable options are prohibitively expensive without available green financing options, the lock-in effects of long-term unsustainable infrastructure and policies make it hard to choose the better option, etc. This poor articulation of the importance of individual, corporate or institutional consumers and both their individual and systemic limitations to take action would inform the outcomes of the next UN summit to demand a more strategic and integrative approach to addressing production-consumption systems.

The World Summit on SD in 2002 produced the Johannesburg Plan of Implementation [UN, 2002], and re-emphasised SCP in two main ways. The Johannesburg Declaration on SD placed aspirations for SCP at the very core of the SD process, highlighting that “poverty eradication, changing unsustainable patterns of production and consumption and protecting and managing the natural resource base of economic and social development are overarching objectives of, and essential requirements for, SD.” To buttress this, and in order to accelerate the shift to SCP, the summit called for the development of a 10-Year Framework of Programmes (10YFP) in support of national and regional initiatives in the transition to SCP.

The mandate to develop a framework of programmes was taken up by UNEP under the multi-stakeholder Marrakech Process launched in 2003. National and regional consultations, support for development of policies, as well as pilot projects under thematic task forces would be carried out globally over the next decade in parallel to these intergovernmental processes. As a response, in Europe a number of SCP-related policies were developed and implemented to promote SCP within Europe. In 2008, the European Commission presented the *SCP and Sustainable Industrial Policy (SIP) Action Plan*. It included a series of proposals on SCP that aim to improving the environmental performance of products and increase

the demand for more sustainable goods and production technologies. It also sought to encourage European industry to take advantage of opportunities to innovate.

Under the Marrakech Process, in 2009, Asia identified the following regional priorities: green public procurement, development of fiscal instruments, resource-efficient and cleaner production, and greening business and markets. The *Asia-Pacific chapter of the Global Outlook on SCP* [Akenji, 2012] provides a detailed analysis of the status of SCP in the region around this period. Several established platforms began to incorporate SCP into their key themes, although mainly still from an environmental perspective. In 2003, the Bali *Declaration of ASEAN Concord II* created a Socio-Economic Community as a third pillar of the association and under which ASEAN environmental issues were addressed through a working group. The Roadmap for an ASEAN Community 2009–2015 under the *ASEAN Socio-Cultural Community Blueprint* positions SCP as a cross-cutting theme, “promoting clean and green environment by protecting the natural resource base for economic and social development” under Section D, on Ensuring Environmental Sustainability. In 2005, the Tripartite Environment Ministers Meeting (TEMM) member countries Korea, China, and Japan formed a working group on common standards for environmental labels; the three countries agreed to develop common standards for water-based paints, stationery, personal computers, and plastics and to harmonise their eco-labels to facilitate green purchasing with each other.

In parallel with the intergovernmental UN agenda on SCP, the EU’s development of the SCP/SIP Action Plan and accelerated economic development in Asia, SCP has also been placed strategically in international development cooperation programmes. The European Union revised its cooperation strategy with Asia already in 1997 and a multi-pronged approach was developed involving a number of areas including:

- building Asia’s environmental management capacities: more efficient and rational use of natural resources, the introduction of a sustainable wealth-creation model and environmental institutions,
- adopting market-based environmental measures: Mobilising the private sector (providing the necessary incentives for foreign direct investment that is more effective than state aid),

- focusing cooperation on priority sectors: urban and industrial pollution, protecting natural resources, etc.,
- fostering environmental research and development networks between Europe and Asia.

Based on this strategy, subsequent programmes were launched, including the Asia Pro Eco Programme, which ran in two phases from 2003 to 2007 with a global budget of EUR 31.5 million. The Asia Pro Eco Programme introduced European best practices of sustainable economic development to Asian countries, mainly the ASEAN region and China. The projects funded under the programme benefited from networking, capacity building, and knowledge creation, and knowledge management. Although the programme also developed a significant number of policy recommendations for sustainable economic development, uptake of these recommendations was low [MacKellar *et al.*, 2009], leaving scope for future SCP policy work.

The Asia Pro Eco I + II set the scene for the future programmes actively promoting SCP approaches. The EU explicitly included the topic of SCP in its international aid cooperation programmes and launched the SWITCH-Asia Programme in 2007, targeting in particular the update of SCP practice by small- and medium-sized enterprises (SMEs). The SWITCH-Asia Programme was also designed in view of SCP policy development through regional and national policy support components. The Programme has subsequently been followed by the SWITCH-Med in the Mediterranean and SWITCH-Africa Programmes. How SCP has so far been promoted and implemented under the SWITCH-Asia Programme in practice, in bridging international cooperation on environment and development in Asian developing countries, is the topic of this book.

Japan has promoted SCP-related approaches primarily through the 3R concept — reduce, reuse, recycle — over a number of years through the country's development cooperation with Asian neighbours. JICA was merged with the country's bank for development cooperation (JBIC) in 2008 and created a strengthened framework to manage Japan's official development assistance (ODA). The focus on 3R included initiatives on municipal solid waste management and e-waste management.



From Asia, as well as changes at country level, many countries and actors are beginning to play more active roles at both regional and international levels. The Institute for Global Environmental Strategies (IGES) submitted a proposal to the chair of ASEAN for a forum on SCP to be placed at a senior level within the organisation to facilitate SCP transition among member states. Championed by Indonesia, the ASEAN Forum on SCP has now been formally adopted; UNEP was invited to facilitate its development and act as Secretariat. Internationally, Bhutan, India, Korea, China, Japan, etc., were very active in negotiations of the SDGs. Japan, Korea, Indonesia, and Bangladesh have been members of the first international board of the 10YFP on SCP patterns. Asia was also the first region to adopt a roadmap outlining how to implement the 10YFP.

## 2.2 SCP in International and Asian Development Discourse

A recent report by UNEP [2015a], *Sustainable Consumption Guide for Policymakers: Debunking Myths and Outlining Solutions (Asia Edition)*, explores the relevance of SCP in Asia. It argues that SCP is often misconstrued as an environmental agenda which aims mainly to limit or reduce consumption levels in order to protect nature from human impact. This misunderstanding stems from the fact that SCP has its background in Europe and the United States where most of the available literature, including both academic and practice-oriented publications, focuses on environmental aspects and the need to reduce the high negative impact these societies exert on the planet. In addition, at the international policy level, the work on SCP is led primarily by UNEP, which has environmental protection as its main mandate, thus further reinforcing the impression that SCP is above all about environmental issues.

This misconception is unfortunate since it makes SCP seem unsuitable for developing countries. In these countries, large segments of the population currently lead lifestyles with comparatively low environmental impacts and increased levels of consumption can improve many people's lives significantly. Naturally, calls for "responsible consumption" and "voluntary simplicity," which are common in the Western-dominated SCP literature, do not resonate well in contexts where many people are

undernourished and lack access to safe drinking water and other basic services. Frugality and moderation are important values in many ancient Asian philosophies, and also central in the ideologies of some more recent influential thought-leaders like Mahatma Gandhi, but these ideas do not apply to the desperately poor and were not based on environmental concerns, but rather on moral, social, and spiritual grounds.

Another common misconception is that SCP is primarily about adopting advanced technologies (often from abroad) and in general becoming more like western countries. This misunderstanding makes SCP hard to achieve in developing countries, since eco-efficient and cleaner technologies are often expensive — at least initially due to higher investment costs — and especially for SMEs. Furthermore, capacity for proper implementation and maintenance are also often insufficient. However, while technology and efficiency improvements play important roles in making production and consumption more sustainable, SCP is a much broader concept. In this chapter, we elaborate this point further and show the reader the broad range of issues that SCP seeks to address.

In developing Asia, environmental problems and social issues are often deeply intertwined and need to be addressed in an integrated manner. For example, development projects that degrade the environment, cause pollution, and deplete natural resources often harm local communities and undermine the prospects of future wellbeing and prosperity. Similarly, environmental conservation projects that risk depriving low-income communities of their livelihoods often become politically contested and need to be complemented with support measures for those affected. Such tensions are much more direct and felt more strongly in developing Asia than in wealthy countries where polluting and degrading extraction, processing and manufacturing can more easily be outsourced to far-away locations.

In order for SCP to be relevant to developing Asia, for it to be taken up actively by governments and various stakeholders in this region, it thus needs to be framed very differently from in high-income countries. SCP should be understood and pursued in a way that is sensitive to the close and complex interlinkages between environmental and social issues.

A particular challenge in Asia is also the enormous disparities in income and ways of living. While most countries in the region have sizable segments of their populations enjoying material standards equal to or

higher than average Europeans, Asia is also home to the majority of the world's poor. The Indian expression "jet plane India, oxcart India" captures well this situation with drastically different life-worlds existing in parallel. SCP practitioners in Asia can and should draw from the experiences made in high-income countries, but there is always a need to assess the relevance of those experiences carefully and to adapt tools and policy approaches to the circumstances at hand. Doing that in practice is often more challenging than initially thought and there is usually a need for pilot projects and other kinds of experiments for testing, adaptation, and embedding solutions in local contexts.

The SCP approach is flexible; it acknowledges the need to work out tailored solutions in response to local circumstances and thus does not offer cook-book recipes. Rather than a template, SCP provides a lens through which to view the environment and development in an integrated manner. As such, it draws from two large bodies of scholarship and practice: one on how to overcome the environmental crises caused by modern civilisation (the environment discourse), and the other on how to improve living conditions of people in low-income countries and to enhance their opportunities to achieve individual and social wellbeing (the development discourse). The SCP approach emphasises the need to break away from conventional development models and to find viable alternatives. It seeks to enrich and broaden the mainstream discourse on development by interrogating basic assumptions underpinning development thinking and practice and opening up space for conversations about options.

SCP in the context of developing Asia is thus not primarily about putting a lid on consumption, at least not for the great numbers of people whose lives would greatly benefit from consuming more and consuming better. The SCP approach is not similarly about protecting the environment at the expense of human development. On the contrary, it is about achieving human and social wellbeing on a more long-lasting and equitable basis. SCP also addresses social aspects of production and consumption, trying to ensure decent jobs, secure livelihoods, and thriving local economies. Furthermore, SCP in an Asian context tries to build on, protect, and improve what already exists in terms of traditional practices that promote well-being, strengthen social bonds, use natural resources wisely,

encourage religious beliefs, and social norms that promote sustainable behaviours — such as vegetarian diets — and policy concepts like Bhutan’s Gross National Happiness (see Chapter 6).

In the following sections, we discuss *three tensions* that have resulted from the conventional development paradigm: environmental degradation brought about by industrialisation, inequality resulting in the coexistence of rampant private consumption and persistent poverty, and westernisation’s undermining effect on traditional livelihoods and cultures. These tensions have been intensely debated among international development experts and practitioners for decades, but their significance has only increased over time. We explain how the SCP approach contrasts with conventional development thinking at a conceptual level and share some experiences from the SWITCH-Asia Programme on how this approach can help address the tensions in practice. SWITCH-Asia has a strong focus on SMEs, so a number of examples in this chapter draw mainly from the situation of Asian SMEs — but this is only one out of many possible entry-points for discussing SCP.

## 2.3 The SCP Approach versus Conventional Development Thinking

### 2.3.1 *Industrialisation versus environmental protection*

Industrialisation driven by market-oriented economic policies has, over the last decades, been the most important element of mainstream development strategies. Many Asian developing countries have followed this route and continue to experience strong economic growth and rising income levels. For instance, in the ASEAN region, gross domestic product (GDP) is expected to reach USD 10 trillion by 2030, up from USD 2.3 trillion in 2012 [Biswas, 2012]. This dramatic growth in economic activity is accompanied by increases in population and urbanisation. By 2030, ASEAN anticipates a population growth of around 18% and a significant migration shift to urban areas [Khandekar, 2013]. Already some 67 million households in ASEAN states are part of the “consuming class,” and that number is predicted to double to 125 million households

by 2025 [Vinayak, Thompson, and Tonby, 2014], making ASEAN a pivotal consumer market of the future. Recent resource consumption data from the Asia Pacific region show that industrialisation over the last two decades has resulted in significant rise of emissions and rapid increase in resource consumption: Asia-Pacific's material consumption grew about threefold in the two decades between 1990 and 2010, making the region's resource consumption larger than that of the rest of the world combined [UNEP, 2015a, 2015b].

The tension here stems from the process of industrialisation seen as representing societal development in a more general sense, and the detrimental impacts of this model on the environment and natural resources. Conventional development thinking holds that all countries will go through a phase with high levels of pollution and environmental degradation, but as they get richer, they will increasingly be able to overcome these challenges. This belief is reflected in the so-called environmental Kuznets curve, which shows a hypothesised inverted U-shape relationship between economic development and environmental quality [Shafik, 1994]. It is also reflected in the catchphrase "grow first, clean up later" [Rock and Angel, 2005].

In contrast, the SCP approach is based on empirical studies that reveal other patterns, leading to different conclusions [Stern, 2004]. Firstly, SCP does not see the historical pattern with a highly polluting phase as inevitable; in contrast, it emphasises the opportunities for developing countries to leapfrog to more sustainable modes of production and consumption without necessarily repeating mistakes of the past. The availability of better technology and know-how, in combination with improved scientific knowledge higher levels of public awareness, make such leaps more feasible than ever. Secondly, while high-income countries have addressed many local environmental problems reasonably well, they still have a much larger per-capita impact on the planet than low-income countries, to a large part due to their high levels of consumption. Even the richest countries have not managed to shrink their per-capita impact on the planet to sustainable levels — quite the contrary. Emulating the wealthy countries thus seems to be only a partial solution, at best. Finally, some of the environmental problems in high-income countries have been "solved" by outsourcing polluting and resource-intensive production to developing countries. Such outsourcing will not be a feasible strategy for the currently

industrialising countries. So, to summarise, when looking at the global scale, just getting rich will not solve the environmental problems caused by mass consumption and industrial production — there is a need for structural changes and public policies that promote alternative development pathways, including strong promotion of leapfrog-style development that avoids repeating known mistakes of the past.

Following the increasing global trends to protect the environment, some of East Asia's large industries, in particular those which aim to build global brands, multinationals operating across various countries and state-owned enterprises which often monopolise national industry sectors, have taken a lead and begun greening their business operations through implementing environmental management practices and pollution control measures [Stalley, 2014]. However, these activities represent an effort to prolong an essential unsustainable development trajectory by reducing apparent contradictions in the short term. Much more needs to be done to realise a true shift towards SCP.

The task of implementing SCP does not rest only on the shoulders of corporations. A common argument is that SCP approaches, such as cleaner production, resource efficiency or environmental management systems, are only suitable for large companies with sufficient capital. However, Asia's economies are still very much in a transition phase where private sector development is almost synonymous with SME development. This reality cannot be ignored. It is unproductive to regret that available SCP tools and approaches are not well-suited to Asia's industrial structure. A more productive stance is to recognise both the many challenges associated with SMEs and the values they can bring to society. With that as a starting point, the SCP approach should seek pragmatic solutions. One of the great challenges that SCP is trying to address is how the environmental performance of SMEs can be drastically enhanced, while their social benefits can be preserved. SMEs play an important role in development for two main reasons: their contribution to employment and income from exports, and their significant role in local communities and local production and consumption systems. At the same time, SMEs often cause immediate local environmental pollution, directly impacting the quality of life of the surrounding communities through contamination of water resources, air, and soils. The need for cleaner production measures, environmental

management and energy efficiency for SMEs in Asia, have been recognised for a long time [Visvanathan and Kumar, 1999], but actual practice has been lagging, including in high-polluting sectors such as textiles, automotive, electronics, and leather processing. Addressing these impacts effectively increases the value SMEs can bring to communities, while resource efficiency and energy efficiency measures often save money for SMEs, rendering their employment opportunities more resilient [SWITCH-Asia Network Facility, 2015].

SMEs face many well-known challenges when it comes to pollution control and environmental management, including lack of awareness, limited capacity to adopt new practices, fierce competition and lack of funds for equipment upgrades [Ho, 2008]. One approach to overcome some of these challenges, which has been tested in some of the projects run under the SWITCH-Asia Programme, is to promote the formation of SME associations or cooperatives. Through such entities, it becomes easier for governments and development actors to provide assistance and the individual SMEs can also pool capacity and provide self-help. Fundraising for investments in energy efficiency and environmental protection can also be easier when SMEs are grouped together in legally recognised entities. In many sectors that are currently dominated by informal SMEs, it may not be feasible, or even desirable, to promote a full-scale transformation into shareholder-owned enterprises; other forms of ownership, such as cooperatives, may be better-suited for balancing the economic, social, and environmental outcomes of these activities. This provides an illustration of how developing countries could leapfrog, not only in terms of what technologies are used, but also institutionally.

### ***2.3.2 Consumerism (and resulting overconsumption) versus poverty alleviation***

The second tension — inequality — manifests itself in rampant consumerism and persistent poverty existing side by side. One of the common misunderstandings about sustainable consumption is that it always implies reducing current consumption levels, or lowering the standard of living. It is therefore interpreted as conflicting with the need for poverty eradication and continued economic prosperity. However, a transition towards



sustainable consumption patterns has to become an imperative if global efforts at poverty eradication are not to be seriously undermined [Ekins and Lemaire, 2012]. For SCP, addressing under-consumption and meeting the basic needs of the poor are seen as equally important to keeping the impacts of consumption within ecological boundaries.

The issue of consumption is not new in the international development discourse. Back in 1998, the Human Development Report, published annually by the United Nations Development Programme (UNDP), titled “*Consumption for Human Development*” [UNDP, 1998] and already noted, “for more than one billion people living at or near the margin, increased consumption is essential. For those at the top, increased consumption has become a way of life.” Likewise, Dasgupta [2007] in his study of the world’s poorest countries, which investigated whether these countries experienced SD during the period 1970–2000, concluded that “...the creation of better institutions to enable people in the world’s poorest regions to both consume more and invest more (inclusively, of course!) is the first step toward achieving SD.”

Yet, current development cooperation practice often tends to stimulate western-style consumerism in Asian countries. The most visible signs of this development are the ubiquitous shopping malls that drive out traditional marketplaces — the world’s 10 largest shopping malls are located in Asia — prioritising investment in infrastructure that promotes private over public transport, or loan schemes for consumer credit which increase household debt. This approach to development, and to poverty alleviation, is often based on neoliberal ideology and its assumption that low taxes and other financial incentives for private companies and wealthy individuals will lead to stronger economic growth, which, in turn, will eventually benefit also the poor. The idea that wealth will “trickle down” to everyone and that economic growth will work as a “rising tide that lifts all boats” have been quite influential in political and development cooperation circles for several decades [IMPACT, 2009]. Proponents of SCP view this approach to poverty as ineffective and obsolete, for social and environmental reasons, but also for strict economic reasons. There is growing evidence supporting this critical view. For example, a recent study published by the International Monetary Fund (IMF) concluded that there is no empirical support that trickle-down approaches actually work



[Dabla-Norris *et al.*, 2015]. On the contrary, increasing the income share for the wealthy was found to have a negative impact on economic growth, while government interventions that directly benefit low-income households appeared to have a positive economic effect.

Poverty alleviation based on hopes via trickle-down approaches not only slow the delivery of improvements for the poor, but are also likely to entail serious environmental consequences. A recent study of poverty trends over the last few decades found that if China is regarded as an exceptional case, unlikely to be replicated in other countries, achievements have been modest and uneven [Woodward, 2015]. The same study found that if the current trends continue, it would take over a century to eradicate extreme poverty globally, and achieving this goal would also require average global per capita GDP to exceed USD 100,000 — almost 15 times its 2010 value. It is more than questionable whether such a high level of economic activity would be compatible with the need to stabilise the global climate while also addressing a range of environmental and resource issues, including biodiversity loss, deforestation, and water stress. Escalating environmental degradation would have a disproportional impact on the world's poor, which would further compound or even undermine the fight against poverty.

Approaches to development that drive up inequality are also undesirable for other reasons. Unequal societies are often characterised by strong competition between individuals and a strong desire to signal social status by consuming status goods; inequality thus stimulates excess consumption, resulting in increased environmental impact [Jackson, 2009]. Highly unequal societies are also often plagued by high crime rates [e.g., Enamorado *et al.*, 2014].

The SCP approach thus needs to address both middle-class consumption, with its high impact on the environment, and under-consumption by the poor, aiming for a more equal distribution of consumption opportunities and expanded chances to achieve wellbeing. Common measures of poverty are based on income or consumption levels, which register important dimensions of deprivation but provide only a partial picture. The UNDP Human Development report [UNDP, 2014] shows one way to evaluate progress by tracking the growth in consumption for the poorest 40% of the population. By this measure, some countries have done

well. In Asia, Cambodia's consumption growth for instance for the poorest 40% has been faster than that for the population as a whole, but in countries where inequality has been high or rising — as in China or Malaysia — growth in consumption for those at the poorest end of the distribution has been slower than for the population as a whole. However, both absolute and relative poverty have multiple dimensions; monetary income and the ability to purchase goods and services is only one factor that influences people's opportunities to achieve wellbeing. Multi-dimensional poverty indexes show that people can be deprived of many things beyond income, for instance, they may have poor health and nutrition, low education and skills, inadequate livelihoods and poor household conditions, and they may be socially excluded or discriminated against [UNDP, 2014].

The SCP approach recognises this complexity and stresses the need to look beyond people's capacity for private consumption. A range of other factors, such as social relations and community support, the availability and quality of public goods, and the fulfilment of spiritual needs, affect people's perceived quality of life and thereby also their desire for private consumption. Perspectives that emphasise the complex relationship between poverty, consumption, and wellbeing have a long history in the development discourse. A more critical strand of thinking views poverty as a product of the modernisation process itself. An example can be found in the writings of the former diplomat and Iranian Minister and ambassador to the UN, Majid Rahnema, who considered the disintegration of subsistence economies that were producing for the household and the community, and the monetisation of societies as major causes for the creation of poverty. According to Rahnema, in the current economic system, which is characterised by unsustainable consumption and production patterns, the poor are reduced to nothing more than an object or statistic, defined by a fixed income level often imposed on them by the very institutions that have dispossessed them from their means of subsistence in the first place. He coined the term *modernised poverty* to describe this form of poverty that was generated through the Industrial Revolution and which has been exacerbated through globalisation. This process stands in direct relationship to the profusion of unsustainable consumption and production patterns.

*“In this totally new type of poverty, the “lacks” felt by the individual are systematically produced by an economy whose prosperity depends on a regular increase in the number of its addicted consumers, while that economy cannot, by definition, do anything for providing the newly addicted with the means necessary to meet their new consumption needs.” [Rahnema, 2005]*

SCP approaches to overconsumption and poverty alleviation also need to encourage rethinking of the so-called cake syndrome [Rahnema, 2005], i.e., that a *sine qua no* condition for meeting the growing needs of a growing population is, before anything else, to increase the size of the cake. Through a critical SCP perspective, it becomes clear that “the already fabulous size of the ‘super cake’ produced by the world economy has ultimately resulted in dispossessing the poor of the only ways and means they had in preparing the cakes and the bread of their own choice. [Rahnema, 2005]. In this perspective, it is thus not only the overall size of the ‘cake’, what it consists of, and how it is redistributed that matters; on a more fundamental level, it is about who has significant influence over the making of the cake in the first place. This line of thinking resonates with the development philosophy of Mahatma Gandhi who emphasised the need to consider not only how wealth is distributed (and redistributed) but also how the means of wealth generation are distributed. This deeper critique of the dominant development paradigm raises important questions relevant to the theory and practice of SCP. In the words of Rahnema, “What is necessary for whom and for what kind of a life? And who is qualified to define all that?” Such questions of perspectives and power need to lie at the heart of reflective SCP practice.

### ***2.3.3. Westernisation versus pluralism and traditional ways of being***

The third and final tension to be discussed here is the one between westernisation and cultural pluralism. The basic question has to do with whether a worldwide convergence towards western institutions, government policies, infrastructure systems, lifestyles, and solutions in a broad sense, is feasible and desirable. The western model has been enormously

successful in creating economic competitiveness and growth, and in raising material standards of living, but it is also associated with unsustainable levels of natural resource consumption. Conventional development thinking tends to have strong similarities with Rostow's stages model, according to which low-income countries are expected to move up the development ladder through a number of consecutive steps before finally reaching the end goal of becoming mass-consumption societies [Rostow, 1960]. It is thus guided by a vision of convergence at the top and holds out the prospect that all countries can become wealthy. By adopting western institutions and policies, all countries are expected to modernise and thus be able to join the ranks of the rich.

However, more than half a century has passed since Rostow presented this model and there is a wealth of experience on how development (sometimes) happens. This experience shows, for example, that development pathways can be very diverse and seldom follow a neat stages model. Those countries that have been the most successful in climbing up the economic ladder, such as the Asian "Tiger Economies" and more recently China, did not follow the free-market policy recommendations provided by western economists and international organisations, but formulated their own approaches, often with the government playing a key and active role by nurturing and protecting selected industries. Even so, these countries have generally followed a conventional development pathway with strong emphasis on export-led industrialisation, urbanisation, and infrastructure construction, which has led to widespread environmental degradation and pollution as well as high consumption of natural resources, including fossil fuels. Just like the early industrialisers — in Europe, United States, and Japan — their economic success has come at a high ecological price, and none of these countries can be regarded as sustainable. They are now facing pressing ecological challenges and are struggling with reformulating their approaches to development, putting it on a more robust and long-lasting footing. Experience also shows that, despite several decades of development assistance, a number of least developed countries have made only marginal progress on poverty reduction and economic diversification while inequality has increased drastically in many countries. For example, a study by the Organisation for Economic Co-operation and Development (OECD) found that income inequality in South and Southeast Asia, measured as Gini, increased from

35 in 1980 to 48 in 2000 [van Zanden *et al.*, 2014]. The idea that all countries can eventually become mass-consumption societies seems less and less likely to work in practice, especially in consideration of the Earth's limited resources and the increasingly felt impacts of climate change. It remains a legacy of the 20<sup>th</sup> century that the desires and normative expectations of Asian developing countries for a better tomorrow are predominantly directed towards modernisation through development-as-growth, thereby imitating the pathway of industrialised countries. Most Asian countries and societies aspire for industrial modernity and countries like Singapore or Malaysia, and cities like Hong Kong and Kuala Lumpur have become hypermodern conglomerates, having surpassed many of the capitals in industrialised countries in various aspects. SCP does not challenge this aspiration for a better life, but underscores the need to ensure ecological sustainability. SCP is therefore also relevant for urban consumption trends in Asia's megacities. In its medium-term economic outlook, the OECD predicts that export-led economic growth in Asian emerging economies and developing countries will be replaced by domestic consumption [van Zanden *et al.*, 2014] and a rapid rise in regional demand is predicted.

The process of modernisation tends to replace traditional lifestyles and practices with western alternatives, which in many cases are associated with higher environmental impacts. SCP, in the context of developing Asia, needs to recognise that some traditional practices and lifestyles have high sustainability values and deserve recognition. Traditional ways of life can be especially valuable by maintaining social capital at the community level, while providing for human needs in ways that have low environmental impact. It is essential that people in developing Asia become aware of the sustainability values of their existing, often disappearing, ways of living; that they learn to appreciate and feel proud of such practices instead of regarding them as outdated and backward or something that only poor people do out of necessity. SCP needs to encourage reflection on what is at risk of being lost in the process of modernisation and seek ways to maintain or improve traditional solutions with sustainability values.

One challenging issue for SCP practitioners is the suspicion that industrialised countries promote SCP as a strategy to restrain development and growing resource use of developing countries, in order to be able to maintain their own high levels of consumption. The often-stated phrase by

western SCP experts “Don’t repeat the mistakes we have made” is thus sometimes perceived as an attempt to hold back Asia’s development, rather than sincere advice on how to avoid future challenges and how to help solving common global problems. There is no patent solution to this challenge, but it stresses the need for SCP practitioners to reflect carefully on their practices, whose agenda and interests they are promoting, and to listen carefully to the people they try to assist.

## **2.4 The Potential of SCP as a New Post-Development Worldview**

The sections above show that conventional development thinking tries to address the three tensions based on very simplistic theoretical models, which all basically generate the same policy recommendation: to maximise economic growth. This is expected to help in dealing with and overcoming environmental problems, to eradicate poverty, to create employment and secure livelihoods for all, and to make all countries reach the envisaged end-state of development: to become mass-consumption societies. However, the experience from decades of development assistance shows that these prescriptions usually do not work, or are very ineffective as solutions to the issues they seek to address, or have unintended effects that make them unsustainable. Although such conventional thinking is deeply rooted in many people’s minds as well as in institutions, there is a growing realisation of its shortcomings. That is part of the background to the increasing interest in SCP and related approaches that try to formulate alternative responses to the pressing and interlinked environmental and social issues that many societies are facing.

The unfolding ecological crises make the promise of development — that all countries, with the adoption of western institutions, good policies (read: market- and trade-friendly policies), and some patience, can eventually become mass-consumption societies — sound increasingly hollow. The worsening ecological state of the planet is giving new urgency to the need to rethink the objectives and approaches of mainstream development practice. SCP is one attempt to address this nexus of challenges. Whilst unbridled economic growth and the primacy of the market economy as the key solution to poverty and environmental sustainability has lost credibility,

in particular among many academic experts, development professionals, and civil society stakeholders. Yet, the belief in this form of ‘development’ has not yet been fully dismantled. “...a decolonisation of the imagination has not occurred. Quite the reverse: across the world hopes for the future are fixed on the rich man’s patterns of production and consumption” [Sachs, 2010]. The full potential of ‘strong’ SCP is not yet being utilised to replace the conventional development-as-growth paradigm.

Another issue, which comes to light through the lens of SCP: developing countries are mostly characterised by what they lack — in most cases, industrial development, technological know-how and capabilities — but not in terms of what they have to build upon or offer others. SCP changes this perspective as many developing countries have much to offer, particularly in terms of sustainable lifestyle models based on traditional values and local customs. Some home-grown concepts in Asian countries show a close relationship to SCP, e.g., Bhutan’s Gross National Happiness, which is discussed in detail in the Bhutan country chapter of this book (see Chapter 6). Another example is the Sufficiency Economy philosophy, which has been developed and promoted by Thailand’s King Bhumibol Adulyadej over the past three decades. In principle, this philosophy is a guide to making political and economic decisions to generate outcomes that are beneficial to the development of the country. How the Sufficiency Economy is implemented in practice is discussed in the Thailand country chapter of this book (see Chapter 12).

The last two decades have solidified the understanding that fringe changes around production and consumption systems alone would do little to stem the increasing and complex issue of *de facto* unsustainability. What is needed is to address the entire paradigm around which humans organise themselves in society and depend upon the environment to provide the economic means to meet their needs. Technical fixes and a focus on technology-driven efficiency have proven grossly insufficient on their own; what is needed even more is a human-centred approach of sufficiency, and a reform of institutions that constrain or encourage particular patterns of consumption and production. This goes beyond national levels. Transgressions on some planetary boundaries, material flow analysis, and environmental implications of complex international trade have also exposed the imperative of a more global approach addressing consumption and production



patterns. And finally, whether looking at actors in a supply chain or analysing national or international roles, the political economy around production and consumption systems is needed to inform design for effective actions. In the same vein as an ecologically literate consumer being constrained by lack of sustainable products, or a more sustainable supplier going out of business in a supply chain dominated by an unsustainable brand owner, or a country unable to implement more sustainable trade policies because of WTO rulings, the power structures and dynamics that drive interaction need to be reflected in a systemic approach to a transition towards SCP.

Early signs of the above are reflected in the Rio+20 outcomes document: *The Future We Want*. Despite the noted failures of the conference to advance the global sustainability agenda, it did manage to adopt the 10YFP on SCP, and to set in motion the establishment of the SD Goals, which include SCP as one of its 17 headline objectives (see also Chapter 3). SCP is thus now at the top of the global environmental policy agenda, with the potential to function as an integrative framework for sustainability [Akenji and Bengtsson, 2014]. A recent UN study [Le Blanc, 2015] of the SDGs found the SCP goal to be the goal with the largest number of linkages to other goals, making it a good candidate for an integrative framework for SDGs implementation overall. SCP has also been identified as one of the most relevant goals to be addressed by the industrialised countries in the post-2015 development agenda [Osborn *et al.*, 2015]. Here we see a clear departure from the previous paradigm of the MDGs where goals and targets were set only for developing countries by the so-called developed countries. Clearly, the success of the SDG framework will hinge to a large extent on the achievements of the evolving global SCP agenda.

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