

The Consumer Voice in Europe

# Sustainable consumption and production— What is our common ground?

Guidance within BEUC and its member organisations when working on key sustainability issues

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#### Summary

As a result of an internal working group of the BEUC Executive on sustainability, we developed this paper which will serve as guidance on BEUC's policies related to sustainability.

The overarching goal under BEUC's new strategy (2014-2016) is a horizontal implementation of sustainability into all BEUC priorities.

We argue that sustainability is:

- a broad systematic approach, to human development based on ecological, social and economic dimension;
- already well defined in international standards such as the ISO 26000 which we will apply to our work;
- requires a set of instruments including regulation as well as information, changed behaviour and responsible action;
- about a smarter way of living which should improve quality of life as we are convinced that new innovative business models such as using services rather than owning products may provide better access to goods and services for a larger group of people
- should be an easy and affordable option for everyone;
- about showing alternatives and ways to live more sustainable as more consumers are likely to follow if they have a good model;
- is a shared responsibility of policy makers business and civil society.



#### Introduction

Since many decades, consumption patterns in industrialised countries are largely unsustainable: the extraction of raw materials, the consumption of products and services and the generation of waste goes far beyond the capacities of our planet.

In addition to an environmental crisis, our societies are faced with an economic and social crisis which is a growing concern among the public. More and more citizens realise the challenges but there is also a growing ambition of individuals and organisations to contribute to a more sustainable development. .

Due to the need to look to the long term because of issues such as resource scarcities and the need to reduce pollution and carbon emissions, consumer organisations often find themselves stuck between conflicting consumer interests:

- A measure taken to promote sustainable development may be in the long term consumer interest, but it may negatively affect short term consumer interests. This could be true, for example, with regard to promotion of renewable energy which is necessary for reducing CO<sub>2</sub> emissions in the long term, but which may increase the price of energy in the short term.
- Or a political measure may enhance the quality or durability of a given consumer product, but it may also lead to higher prices.

It is difficult to state a general rule how consumer organisations should take position in the face of such conflicting interests. It may, however, help to realize that conflicting consumer interests are not unique to the debate on sustainable consumption and production, but they are common to consumer policy in general. For example, a mandatory health insurance also stipulates conflicts between long term and short term interests. Stricter air passenger rights for example require also a balance between higher quality standards on the one hand and higher prices on the other hand.

What is new to the debate on sustainable development is that it extends the long term perspective to include the interests of future generations, and that it extends the quality definition and choice of products and services to include aspects like animal welfare or the observation of labour rights. This is certainly a challenge to consumer organisations. When consumer organisations gain experience with sustainability issues on a day-by-day basis, it may become more and more natural to include the interest of future generations into the balancing of short term and long term aspects and to include those aspects into quality definitions.

Although it is difficult to establish general rules on sustainability and certain caseby-case decisions may be needed, BEUC seeks to agree on a set of principles which will guide our future work regarding sustainability.

This paper outlines such principles what sustainability means for us and what our common ground is.



The overarching goal which will steer our work is to improve the quality of life of current and future generations, e.g. through achieving "more with less" due to improved resource efficiency and a smarter way of living.

The added value and use of the principles within BEUC's work will be multifold as we will apply them when:

- Integrating sustainability horizontally into all other BEUC's top priorities such as financial services, consumer contracts, enforcement and digital consumer rights deciding on future flagship campaigns.
- Drafting new policy positions in policy fields such as food, health, energy and sustainable consumption and production policies.

BEUC should primarily focus the resources on issues where there is a need for a consumer voice, and where we are often the only consumer voice. Other NGO's may be better placed to intervene in certain areas, like animal welfare, but BEUC might choose to work with them if it supports us in achieving our objectives.



## 1. Sustainable consumption and production requires a broad, systematic approach to human development based on ecological, social and economic dimension

The United Nations Commission on Sustainable Development points out that:

"The world faces an unprecedented challenge from inter-linked economic, social and environmental crises. There is broad global consensus that we need a fundamental shift in the way goods and services are produced and consumed if we are to avoid worsening development and resources/environmental crises. There is a clear need to rethink how we pursue economic growth, as well as the business models we use, in order to shift towards sustainable ways of living that are in harmony with communities, our ecosystems and natural resources."

Hence, we emphasise that a broad, systematic approach to human envelopment is needed.

We see sustainable consumption and production as an overarching condition to all policy making today and in this sense, it defines the perspective through which consumer organisations should approach sustainable development.

The Oslo<sup>2</sup> definition of "sustainable consumption" is as follows:

"the use of services and related products which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic material as well as emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations".

"Sustainable production" is the creation of goods and services using processes and systems that are non-polluting, conserve energy and natural resources, are economically efficient, are safe and healthful for workers, communities, and consumers, and are socially and creatively rewarding for all working people<sup>3</sup>.

We emphasise that more sustainable consumption and production patterns show important ways how to get out of the crisis by their potential positive impact on innovation. The crisis is no argument to go on with unsustainable consumption patterns. It is instead an opportunity for much needed change of production and consumption patterns.

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United Nations Commission on Sustainable Development, Paving the Way to Sustainable Consumption and Production, Marrakech Process Progress Report including Elements for a 10-Year Framework of Programmes on Sustainable Consumption and Production (SCP), <a href="http://www.un.org/esa/dsd/resources/res">http://www.un.org/esa/dsd/resources/res</a> pdfs/csd-18/csd18 2010 bp4.pdf.

The Norwegian Ministry of the Environment organised a symposium on sustainable production and consumption in 1994, <a href="http://www.iisd.ca/consume/oslo000.html">http://www.iisd.ca/consume/oslo000.html</a>

see European Environment Agency: http://ew.eea.europa.eu/ManagementConcepts/scp



### 2. The term "sustainable development" is well defined in various documents, norms and standards on which we base our work

The term "sustainable development" has been defined in the Brundtland report and is currently the accepted definition at global level. The report points out that:

"Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be both managed and improved to make way for a new era of economic growth." <sup>4</sup>

In addition, the International Standard on Social Responsibility (ISO 26000)<sup>5</sup> which has been drafted with the involvement of consumer organisations, outlines the most important principles and core issues, terms and definitions related to social responsibility.

The ISO 26000 emphasises with regard to sustainable development that such a development needs to integrate "the goals of a high quality of life, health and prosperity with social justice and maintaining the earth's capacity to support life in all its diversity. These social, economic and environmental goals are interdependent and mutually reinforcing. Sustainable development can be treated as a way of expressing the broader expectations of society as a whole."

The ISO 26000 also specifies with regard to social responsibility that this concerns the responsibility "of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- contributes to sustainable development, including health and the welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behaviour and
- is integrated throughout the organization and practised in its relationships".

Sustainable development sets the broader framework for sustainable consumption and production which will be the key focus of consumer organisations.

World Commission on Environment and Development, "Our Common Future", 1987, <a href="http://www.un-documents.net/our-common-future.pdf">http://www.un-documents.net/our-common-future.pdf</a>

A publicly available draft of the standard is accessible for free at: https://docs.google.com/file/d/0BwU82A -zhEFVThoRWtyLTJrOWM/edit?usp=drive\_web&pli=1



#### 3. Sustainable consumption and production requires regulation as well as information, changed behaviour and responsible action

We need a policy mix of different instruments including regulation, "nudging" consumers in the right direction as well as meaningful information.

Consumer organisations should therefore also get involved with policy measures which change the economic framework conditions.

When talking about sustainable development in a consumer context, the debate often focuses on eco-labelling and other information tools helping consumers to engage into "green consumption". Consumer organisations clearly have a mandate to inform consumers about the sustainability aspects of consumption and to enforce market transparency necessary for consumers to be able to take responsibility for sustainable behaviour. Yet for two reasons the involvement of consumer organisations with sustainable development should not be limited to transparency issues.

First, it is quite evident that "green consumption" alone will not be sufficient to come to terms with challenges like climate change, diminishing biodiversity or inhumane labour conditions. These challenges are far too big to be left to the individual decision of the consumer. Consumers would find themselves confronted with individual economic disadvantages if they opt for the sustainable choice in an unsustainable market setting. Hence, regulation which successfully addresses current market failures has to play a major role to enable consumers to adopt more sustainable lifestyles. Climate change, for example, requires the development of low-carbon policies with technologies and incentives that need to be attractive to consumers.

Second, policy measures taken to promote sustainable development by changing the framework conditions of economy may have a heavy impact on consumer interests related to financial impact and availability of products and services and therefore cannot be neglected by consumer organisations.

Since 2003, the European Commission identified in a series of studies those consumption areas where the impact on the environment is the largest but where also a considerable improvement potential exists: food, transport and housing<sup>6</sup>. These findings lead to various proposals for regulation<sup>7</sup>, improved information<sup>8</sup> and approaches seeking to "nudge" consumers into the right direction within the past ten years. The study findings will continue to influence the EU policy agenda in the years to come.

The Commission announced in its Communication on Integrated Product Policy (COM(2003) 302 final) that it will seek to identify and stimulate action on products with the greatest potential for environmental improvement. Although this process has been started over ten years ago, the findings of two studies, which have been carried out in this context are very relevant. The EIPRO study looks on the Environmental Impact of Products, the IMPRO study looks on the environmental improvement potential of products

<sup>&</sup>lt;sup>7</sup> For instance in the area of transport, mandatory standards to lower CO2 emissions from passenger cars have been adopted.

In the area of household appliances manufacturers have to indicate also the absolute electricity consumption on the energy label which allows consumer to compare the energy consumption of different sizes of products.

<sup>&</sup>lt;sup>9</sup> The European Commission, DG SANCO, has organised two large conferences on nudging consumers. Presentations and results can be found <u>here</u> and <u>here</u>.



# 4. Sustainable consumption and production is a smarter way of living which should improve quality of life. Sustainable consumption is primarily about consuming differently, not necessarily less

We are convinced that much can be achieved with consuming differently, not necessary less if new innovative business models will be put in place. Four areas of interest to consumers can be highlighted:

- a) Producing more durable goods and promoting repair and re-use;
- b) Cradled-to-cradle and "zero" waste concepts;
- c) Using services rather than buying products, e.g. renting a car rather than owning a car;
- d) Sharing products and services (e.g. sharing a car and more rarely used garden or home appliances, exchanging cloths online.

However, as consumption in Europe continues to put pressure on resources, we will experience a quantitative problem in the future. Therefore consumer organisations could engage in "think twice" campaigns for smart consumption to raise awareness with consumers about different patterns of consumption

## 5. Sustainable consumption and production should be an option to everyone. The sustainable choice should be the easy and affordable one

Currently "green" products and services are often more expensive. We believe that the polluter pays principle is currently not working as those consumers who pollute less have to pay a higher price.

Moreover, it leads to a situation in which not all consumers have the possibility to life more sustainably.

Where we see the opportunity to create change and added value we will advocate for changing the legal and commercial framework conditions to offer a broader range of sustainable products and services at sustainable prices to all consumers.

## 6. Sustainable consumption and production is to show alternatives and ways to live more sustainable

Consumers need to be enabled to adopt more sustainable lifestyles. Pointing fingers will not bring added value. However, the following factors are important:

- Better education;
- Enabling consumers through more sustainable products and services;
- Setting good examples as individuals are more likely to follow if they have a good model.

It is a substantial role of consumer organisations to hold companies responsible for marketing messages, including those on sustainability.



7. Sustainable consumption and production is a broad societal change based on what we are doing ourselves. Responsibility should be delivered where it belongs and is a requirement for policy makers, business and civil society

To achieve more sustainable consumption and production patterns, it is important that all relevant actors contribute.

Consumer organisations already tackle a wide range of topics which will promote sustainable consumption and which are enabling consumers to adopt more sustainable lifestyles but cannot get involved with all policy measures. Consumer organisations should take action where the consumer interest is affected clearly and substantially.

- First, consumer organisations will lobby actively for such policy measures that serve both long term sustainable development targets and short term consumer interests. This is true, for example, with regard to measures that help save both energy and money. It is also true for measures that enhance both the sustainability aspects of a product or service and its quality aspects.
- Second, when a policy measure is taken to promote sustainable development, consumer organisations will monitor closely what direct positive or negative effects this measure has on consumers. Consumer organisations will especially have an eye on the interest of vulnerable consumers. When consumer organisations point out that a policy measure taken to promote sustainable development has negative consequences for consumers, they do this to ensure that the social dimension of sustainable development is respected adequately. They will not block a policy of sustainable development where it achieves an appropriate balance between long-term and short-term interests, but they will focus on finding ways of making it viable from a consumer perspective.

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