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Millennium consumption goals (MCG): how the rich can make the planet more sustainable

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By Prof. Mohan Munasinghe

Millennium consumption goals (MCG) could help make our development path more sustainable, by focusing on the 1.4 billion people in the richest 20 percentile of the world's population. They consume over 80% of global output, or 60 times more than the poorest 20 percentile. Instead of viewing the rich as a problem, they should be persuaded to contribute to the solution. The MCG will complement the Millennium development goals (MDG) designed to help the world's poor. The MCG need not be mandatory targets, but rather a set of benchmarks to be achieved by a combination of voluntary actions by sustainable consumers and producers, supported by enabling government policies.

Household consumption drives modern economies, but unsustainable consumption, production and resource exploitation have led to multiple crises that threaten the future survival of humanity. Climate change is now considered the ultimate threat multiplier which will exacerbate the formidable problems of development we already face – like poverty, hunger, illness, water and energy scarcities, and conflict.

The MCG pathway

While I have been arguing for MCG for many years in closed meetings, the time was ripe to formally propose the idea at the recent UN sessions preparing for the forthcoming UN Conference on Sustainable Development UNCSD 2012 in Brazil.

There are many advantages to this complementary path to global sustainability. First, the rich live in both developed and developing countries, so the idea cuts across country boundaries, thus reducing the potential for deadlock due to nationalistic self-interest. Second, since they account for over 80% of consumption and pollution (including carbon emissions), small shifts towards more sustainable consumption can significantly reduce the burden on the environment and free up more resources to raise the consumption of the poor. Third, by relying on influencing the behaviour of large numbers of individual households, the approach has the potential to yield quicker results compared to top down government policies and large, long term industrial investments. Fourth, it mobilizes, empowers and links up sustainable consumers and producers (many of whom operate global supply chains) into a virtuous cycle that could spread quickly. In fact, the focus is on setting targets for ACTION NOW by civil society and business, without having to wait for governments, which move glacially. This process also puts pressure on leaders who lack the political will to act quickly and decisively.

Basically, the MCG approach is only one element (albeit an important one!) of the overall goal of sustainable development. It is not just a nice catchy slogan, but has substance and a practical methodology underlying it. It is part of broader ongoing initiatives on sustainable

consumption and production (SCP) and the green economy. In turn, SCP is an essential step on the path to sustainable development, and may be linked to a holistic and practical framework for making development more sustainable, called Sustainomics, which I proposed 20 years ago at the 1992 Rio Earth Summit. It would be fitting indeed if the MCG idea would become part of the agreements and programmes that will emerge from UNCSO 2012 (also called Rio+20)!

Some possible MCG target areas include: conservation of scarce resources like energy and water, efficient transport, sustainable dwellings, healthier diets and obesity reduction, healthier lifestyles and greater fitness, progressive taxation and taxes on luxury goods, sustainable livelihoods, reduced workweek and improved working conditions, etc. Some types of expenditures undertaken by governments on behalf of consumers, also need to be targetted – e.g., the US\$1.5 trillion per year spent on armaments worldwide.

Current situation: economic, social and environmental bubbles

The MCG are needed because the world is currently facing economic, social, and environmental risks, best characterized by a "bubble" metaphor based on greed and false expectations. A few enjoy immediate gains while the vast unsuspecting majority would pay huge future costs. These threats can interact catastrophically, unless they are addressed urgently and in an integrated fashion.

First, the ongoing economic recession was caused by the collapse of a greed-driven asset bubble which inflated financial values well beyond the true value of underlying economic resources.

Second, a social bubble based on poverty and inequity is growing despite economic growth, excluding billions of poor from access to productive resources and basic necessities, like food, water and energy. Poverty has been exacerbated by the economic recession, worsening unemployment and access to survival needs.

Finally, mankind faces the bubble of environmental harm and resource shortages, due to myopic economic activities that severely degrade natural assets (air, land and water) on which human well being ultimately depends. Climate change is just one grim global manifestation of this threat, and ironically, the worst impacts will fall on the poor who are least responsible for the problem.

Unfortunately, human responses to these issues have been uncoordinated and inadequate. Governments quickly found over US\$ five trillion for stimulus packages, to revive shaky economies. Meanwhile, only about US\$100 billion per year are devoted to alleviate poverty, and far less to combat climate change. The recession has further dampened enthusiasm to address the more serious long term social and environmental issues.

Clearly, world leaders lost a major opportunity to allocate a much larger share of the stimulus packages to green investments, sustainable livelihoods, education and health, and safety nets for the poor, instead of mainly propping up banks and promoting unsustainable consumption. We should now seek to recapture the momentum for longer term change, by promoting sustainable consumption and production, including the setting of millennium consumption goals for the rich to complement the MDG for the poor.

Sustainable consumption and production

Anthropogenic carbon emissions exemplify modern resource over-exploitation. The arguments below apply equally well to other scarce resources like energy, water and food.

The consumption of 1.4 billion richer humans accounts for about 80% of total carbon emissions. Making their consumption patterns more sustainable will reduce carbon emissions (and other types of resource use) significantly – e.g., using energy saving light bulbs, washing laundry at lower temperatures, eating less meat, planting trees or using more fuel efficient cars. Such actions will not only save money, but are also faster and more achievable than many so-called big technology solutions. Furthermore, families that purchase low-carbon products and services can stimulate innovation in businesses, while encouraging politicians to take radical steps towards a lower carbon world. Many existing "best" practice examples can be replicated more widely, while innovative businesses are already developing the "next" practice products and services of the future.

A "virtuous cycle" of mutually supportive sustainable consumers and producers can cut across national boundaries and narrow interests. It complements the traditional top down emphasis on action by governments, who lack political will to take bold steps. Finally, the rich must share scarce resources with the many billions of poor and help them emerge from poverty. The affluent also need to set a better example that will encourage the poor to seek more sustainable growth and consumption paths.

The affluent can maintain or improve their quality of life, while reducing the burden on the environment, using existing technologies and policies. Several leading multinational companies have already set themselves challenging targets for reducing their carbon emissions, waste discharges, and energy and water use, in the coming decades. This is a welcome contrast to the continuing reluctance of world leaders to boldly address pressing climate change and sustainable development issues. Progressive business leaders have also pledged to overcome barriers faced by consumers, including the availability and affordability of sustainable products, lack of information and product labeling, and a sense of powerlessness. The same advertising that now promotes over-consumption and waste could be used to encourage more sustainable consumption. Over a period of time, social values and habits could be changed to favour sustainable behaviour, in the same way that public attitudes have shifted against tobacco smoking in recent decades.

Sustainomics

The sustainomics framework provides four core principles that underpin this novel approach to addressing multiple global problems together.

* First, making development more sustainable (MDMS) becomes the main goal. It is a step-by-step method that empowers people to take immediate action. It is also practical because many unsustainable activities are easy to recognize and eliminate NOW. The MCG and sustainable consumption-production path epitomize this approach.

* Second, the three key dimensions of the sustainable development triangle (economic, social, and environmental) must be given balanced treatment. Consumers need simplified and relevant information on these aspects, to make sustainable choices, via pricing, advertising, labeling, and the media.

* Third, our thinking should transcend traditional boundaries. It is essential to replace unsustainable values like greed with sound ethical principles, especially among the young. People must be made aware that problems like climate change span the whole planet, play out over centuries, and concern every human being on earth. Stakeholders need to work together to meet the common threat – more than ever, government needs the support of civil society and business. Trans-disciplinary analysis will help producers find innovative solutions that cut across conventional disciplines. Sustainable consumption and production requires such a revolution in thinking and behaviour.

* Finally, full life cycle analysis using integrated tools is required. In particular, producers need to re-examine the entire value chain from raw material extraction to consumer end use and disposal, from the economic, social and environmental perspectives. This will help identify hot spots where innovation can improve production sustainability, reform pricing, and yield accurate labeling information (e.g., carbon footprint). The principles of industrial ecology would help to minimize both resource inputs and waste outputs. Many excellent examples of sustainable consumption and production already exist worldwide, based on the application of known technologies and policies.

Concluding Ideas

Ordinary citizens and businesses are often ahead of political leaders in terms of willingness to address sustainable development issues, including climate change. Given the many existing best practice examples, we do not need to wait for new technologies, laws or infrastructure. Consumers can be encouraged to behave more sustainably without lowering their quality of life, starting with millennium consumption goals for the rich that parallel the millennium development goals for the poor.

All human beings are stakeholders, when it comes to sustainable development and climate change. Consumers and producers can and must strive to make development more sustainable — economically, socially and environmentally. By acting together now, we will make the planet a better and safer place for our children and grand children.



About the author:

Prof. Mohan Munasinghe shared the 2007 Nobel Prize for Peace, as Vice Chair of the UN Intergovernmental Panel on Climate Change (IPCC-AR4). Currently, he is Chairman of the Munasinghe Institute for Development (MIND), Colombo; Professor of Sustainable Development at the University of Manchester, UK; Distinguished Guest Professor at Peking University, China; and Honorary Senior Advisor to the Sri Lanka Govt.

He has earned post-graduate degrees in engineering, physics and development economics from Cambridge University (UK), Massachusetts Institute of Technology (USA), and McGill University and Concordia University (Canada). Prof. Munasinghe has also received several honorary doctorates (honoris causa). Highlights from 40 years of distinguished public service include working as Senior Energy Advisor to the President of Sri Lanka, Advisor to the United States Presidents Council on Environmental Quality, and Senior Advisor/Manager, World Bank.

He has taught as Visiting Professor at several leading universities worldwide, and won many international prizes and medals for his research and its applications. Prof. Munasinghe has authored 92 books and over three hundred technical papers on economics, sustainable development, climate change, power, energy, water resources, transport, environment, disasters, and information technology. He is a Fellow of several internationally recognized Academies of Science, and serves on the editorial boards of over a dozen professional journals.