

## **15. THE GREEN CONSUMPTION MOVEMENT: THE ROLES OF GOVERNMENT, BUSINESS, ACADEMIA, NGOs AND CONSUMERS**

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### **THE GREEN CONSUMPTION MOVEMENT**

During the 1950s, the growth of demand for consumer products, known as the “revolution of rising expectations,” was considered a benchmark of development and was encouraged in the developing world. However, the emulation of the environmentally damaging consumption practices of the industrialized world in the rapidly growing developing economies has made a major contribution to global environmental stress.

In the 1980s and early 1990s, there has been increased awareness among consumers that their purchasing choices affect the environment. Consumers are urged to consider not only the quality of goods, but also the conditions under which goods are made and to distinguish “needs” from “desires.” Therefore, the emphasis was on providing green products for niche markets serving affluent consumers.

At the 1992 Earth Summit in Rio, a chapter devoted specifically to the relationship between consumption habits, production patterns, and sustainable development was included in Agenda 21. The chapter indicates that a good policy for sustainable production and consumption depends on support from all parties and that it is in the public interest to help the parties to speed the learning process in order to realize all the possibilities for a greener market.

### **THE DEFINITION OF SUSTAINABLE CONSUMPTION**

In January of 1994, the Symposium on Sustainable Consumption was held in Oslo, Norway. A working definition for sustainable consumption was proposed as “*the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generation.*”

A key issue was the extent to which the needed improvements in environmental quality can be achieved through the substitution of more efficient and less polluting products and services (patterns of consumption), as opposed to reductions in the volumes of products and services consumed (levels of consumption).

## **KEY PLAYERS**

Five parties are identified as the key players in the movement toward green consumption: governments, businesses, academia, non-governmental organizations (NGOs) and consumers. Governments set laws and regulations, establish incentives and infrastructure, provide information, lead through public procurement, and measure overall progress within the country. Businesses are manufacturers, retailers, and financiers and providers of products and services. They are also very important consumers. Academia develops technology and tools to help businesses supply green products and services. NGOs, particularly environmental, consumer and social NGOs, monitor government and business behavior. They are usually the promoters of initiatives too. The consumers, being also voters, householders, and workers, are the key to success.

Since the Earth Summit, great progress has been made on advancing the conceptual framework for green consumption and promoting discussion of the issue among the five major players. However, there is also considerable inertia against change. The reason is that the conventional economic growth model and its vision of prosperity has become the basis for political consensus and stability for many economies.

## **EXAMPLES OF INITIATIVES**

Sustainable consumption initiatives fall into two categories: (1) improving products and (2) changing patterns. Different approaches that have been taken by various economies and major players are summarized in Table 1.

## **LESSONS LEARNED**

The actual impacts of these programs are for the most part still unknown, largely because most initiatives have been in place too short a time to allow for analysis of their effectiveness. However, some preliminary conclusions can be drawn:

1. It has proved easier to improve products than to change consumption patterns. Academia can be helpful in the development of innovation;
2. Economic instruments or policies, such as subsidy reform and ecological pricing, are hard to implement, but offer greater leverage for change;
3. Education and awareness-raising initiatives have generally brought limited changes on their own. A limited percentage of population, roughly 10~15 percent, has been identified as “green consumers” in developed economies. Using popular media for initiatives is essential, but very expensive;
4. Ecolabelling schemes have been moderately successful in changing the purchasing decisions of the consumers;
5. With its immense purchasing power, public procurement represents a more accessible market for green products and services than individual consumers;

**Table 1. Examples of Sustainable Consumption Initiatives**

Types of initiatives	Examples	Major players
<b>Improving products</b>		
Product innovation	<ul style="list-style-type: none"> <li>• Floor Covering Services, <i>Interface</i></li> <li>• Remanufactured Copiers, <i>Xerox</i></li> <li>• The Green TV, <i>Philips</i></li> </ul>	Business
Regulation	<ul style="list-style-type: none"> <li>• Extended Producer Responsibility, <i>Germany</i></li> <li>• Restrictions on Disposable Products, <i>Korea</i></li> <li>• Efficient Toilets, <i>Australia</i></li> <li>• Takeback of Home Electrical Appliances, <i>Republic of China</i></li> </ul>	Government
Economic instruments	<ul style="list-style-type: none"> <li>• Sulphur Tax, <i>Sweden</i></li> <li>• CO<sub>2</sub> tax, <i>Norway</i></li> <li>• Differential Car Taxation, <i>Korea and Austria</i></li> <li>• Tax on Waste, <i>Denmark</i></li> <li>• Waste Disposal Charges Based on Volume, <i>Korea</i></li> <li>• Pricing Packaging, <i>Harare</i></li> <li>• Air Pollution Control Fee, <i>Republic of China</i></li> </ul>	Government
Ecolabelling	<ul style="list-style-type: none"> <li>• The Blue Angel Eco-label, <i>Germany</i></li> <li>• The Nordic Swan Eco-label, <i>Scandinavia</i></li> <li>• Forest and Marine Stewardship Councils</li> <li>• Energy Star, <i>USA</i></li> <li>• Green Mark, <i>Republic of China</i></li> </ul>	Government NGO
Public procurement	<ul style="list-style-type: none"> <li>• Green Purchasing Network, <i>Japan</i></li> <li>• EU Green Purchasing Network, <i>EU</i></li> <li>• Ethical Trading Initiative, <i>UK</i></li> <li>• Government Procurement Law, <i>Republic of China</i></li> </ul>	Government NGO
<b>Changing patterns</b>		
Developing a strategic vision	<ul style="list-style-type: none"> <li>• Transport Consultation, <i>Scotland</i></li> <li>• The Capital Territory Future Water</li> <li>• Supply Strategy, <i>Australia</i></li> <li>• Strategic Environmental Assessment, <i>Russia</i>, Sustainable Europe Campaign, <i>EU</i></li> </ul>	Government Business NGO
Planning and demand side management	<ul style="list-style-type: none"> <li>• Restrictions on Car Use, <i>Sao Paulo</i></li> <li>• Transport Management, <i>Singapore, Curitiba</i></li> <li>• Promoting Alternative Transport, <i>EU</i></li> <li>• Demand Side Electricity Management, <i>Canada</i></li> </ul>	Government NGO
Redirecting public spending	<ul style="list-style-type: none"> <li>• Upgrading Traditional Housing, <i>China</i></li> <li>• Kampong Improvement Program, <i>Indonesia</i></li> <li>• Investment Program for a Sustainable Society, <i>Sweden</i></li> </ul>	Government

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Types of initiatives	Examples	Major players
Education and awareness raising	<ul style="list-style-type: none"> <li>• Trans-Century Environmental Tour, <i>China</i></li> <li>• Reducing Disposables in Hotels and Restaurants, <i>Korea</i></li> <li>• European Young Consumer Competition, <i>Greece</i></li> <li>• Greening the Office Campaign, <i>Republic of China</i></li> </ul>	Government Business NGO
Supporting community action	<ul style="list-style-type: none"> <li>• Pro-Local Supply, <i>Austria</i></li> <li>• Global Action Plan for the Earth, <i>International</i></li> <li>• Environmental Home-guard, <i>Norway</i></li> <li>• Alliance for Common Procurement, <i>Republic of China</i></li> </ul>	Government Business NGO
Capacity building	<ul style="list-style-type: none"> <li>• Organic Trade Promotion, <i>International</i></li> <li>• CIDA Energy Efficiency, <i>India</i></li> <li>• Environmental Management Systems, <i>International</i></li> </ul>	Government Business Academia

6. Working closely with local people to identify their problems, needs and their priorities is critical to implementing demand-side management measures. However, only combining the best of modern technology and traditional values can help prevent the export of unsustainable consumption patterns caused by globalization;
7. Collective measures are particularly successful at transforming market conditions to become more favorable to sustainable consumption;
8. The target groups for sustainable consumption are: women, because they have influence over many consumption choices; the elderly, because they carry traditional values of frugality; youth, because they represent a high proportion of the population in poor economies; the affluent middle class, because they have the most buying power and are usually the most educated;
9. More innovative regulatory, cultural, and market instruments need to be developed because changing consumption patterns is a new goal for environmental policy. Alternative approaches to environmental regulation which create the conditions for sustainable consumption have to be institutionalized; and
10. The benefits of sustainable consumption in terms of price, quality, convenience, and pleasure need to be demonstrated.

## **THE REPUBLIC OF CHINA'S EXPERIENCE WITH SUSTAINABLE CONSUMPTION**

The Republic of China's experience with sustainable consumption entered a new era when the Environmental Protection Administration (EPA) decided to promote the ecolabelling program in late 1993. The program, called the Green Mark, was totally sponsored by the EPA and considered a 'carrot' to encourage businesses to manufacture or provide green products and services. The term 'green' here is defined as 'low polluting, recycled/recyclable and resource saving.' It is a Type I program in nature with the following characteristics:

1. It is selective: only products with the best environmental performance (usually 20 to 30 percent) may be awarded a license to use the Green Mark logo;
2. It has pre-set criteria: for each product category, there is a pre-set and published criterion with multiple requirements. For example, the laundry detergent criterion requires no phosphate, no fluorescent agents and 90 percent biodegradability;
3. It involves an independent third-party who acts as a certification body to control the rightful use of the license and the logo; and
4. It uses life cycle assessment as the scientific basis for developing and evaluating product criteria to ensure that there is a positive net environmental benefit from the Green Mark product.

As of the year 2000, the Environment and Development Foundation (EDF), the implementation body for the Green Mark, has published criteria for 62 products, including office equipment, home appliances, writing instruments, cleaning products, construction material, recycled goods and others. A total of 862 products are licensed to use the logo. The production value of these products is estimated at 23 billion NT, or 7.6 billion US dollars.

To develop the criteria for each product category, experts from both academia and the specific business sector involved were invited by EDF to develop a consensus on all the requirements. The Green Mark Review Committee, with representatives from government, business associations, academia and NGOS, would then review and approve the draft criteria.

Promotion of the Green Mark has been restricted by our limited program budget. In the first few years, the main target audience for promotion was the manufacturers. Starting from 1998, about one third of the budget was spent on public education, including exhibitions, newsletters, seminars, and other promotional material. A survey done in 1998 showed that over 55 percent of consumers could identify the logo. However, the percentage of consumers who have bought a logo product is still very low. Thus, EPA and a key group of legislators decided to push for the insertion of a green procurement provision into the new Government Procurement Law.

Effective May 27, 1999, Provision 96 of the new Government Procurement Law states that government agencies may give preference to green products over traditional products as long as both have comparable functional characteristic. Green products may receive a maximum of 10 percent price preference over traditional products. Green products are classified as: (1) Green Mark products and (2) non-Green Mark products.

The latter are defined as (a) products that are low polluting, recycled/recyclable or energy saving; and (b) products that are resource saving or use renewable resources. Products falling under the non-Green Mark category wishing to meet definition A (outlined above) must be identified, registered and promulgated by EPA, whereas products wishing to meet definition B shall be identified by other government agencies (still unannounced).

In 1999, the purchasing power of government agencies amounted to 14.3 billion US dollars, shown in Table 2.

**Table 2. Purchasing Power of Government Agencies in US\$ Billion, 1999**

	<b>Central Government</b>	<b>Local Government</b>	<b>Others*</b>	<b>Total</b>
Products	1.5	0.7	2.6	4.8
Services	0.4	0.2	0.5	1.1
Construction	1.9	3.8	2.7	8.4

*Note:* \* Includes national colleges/universities, hospital and government-owned businesses.

Since Provision 96 covers green products only, the market size for government green procurement is estimated at a minimum of US\$ 50 million per year (based on a market share of 1 percent.) Among them, office equipment and utilities, lighting and cleaning products alone amounted to US\$ 13 million in 1999.

In order to make the government green procurement plan successful, the following are some of the key directions for us to pursue further:

- Obtain full support from both the decision-making and the implementation levels within the purchasing departments of the various government agencies;
- Ensure the development of enough green products to allow sufficient choice;
- Provide an open and fair process for identifying green products;
- Maintain a well-managed, steady flow of green product related information; and
- Establish clear goals and targets with an effective monitoring program.

Government green procurement is also considered a part of the “Greening the Office Campaign” sponsored annually by the EPA. Starting in 1998, government agencies and businesses have been encouraged to enter this an annual contest. Organizations are evaluated by experts against the following standards:

1. Is there a long-term strategy and structure for promoting the “greening the office?”
2. Is the environmental performance of a product considered when making purchasing decisions?
3. Is there a waste recycling and reuse scheme in place?
4. Is there a resource (electricity, water and paper) reduction scheme in place?
5. Is there a documented education program on sustainable consumption for the employees?

The overall tidiness of the facility and safety measures are also recorded and scored. Finally, the top winners of this campaign are publicly honored and given an award by the EPA.

Communities are also good targets for changing consumption patterns. Many communities in the Republic of China participated in the activities organized by the Procurement Alliance for Common Products. The Alliance was started in 1993 as a membership (mainly housewives) association and incorporated as a private company in 1998. Organically grown agricultural products and preserved food products are purchased at bargain prices, individually packaged at the Alliance's warehouses, and then distributed to member buyers. The Alliance is expected to soon expand its scope of products to include electrical appliances, clothing, and cosmetics. It also publishes newsletters and organizes many educational activities. Currently, the Alliance has over 2200 members.

## **CONCLUSION**

The examples mentioned above help demonstrate the respective roles of government, NGOs, business, academia, and consumers in the movement towards sustainable consumption. Much has been achieved on sustainable consumption over the past decade. The need to change consumption is now accepted. While many problems remain, sustainable consumption is only as difficult as we make it. There are many things which can be put into action now. For instance, ecolabelling of the service sectors, electronic trading of green products, and development of sustainable consumption indicators to record achievements and monitor progress. Let's do it!!