

MEMORANDUM

TO:

[REDACTED]

FROM: Conn Nugent
Nathan Cummings Foundation

Conn

DATE: 5 March 1994

RE: Consumption

[REDACTED] Most of all, I'm impressed by the ambition of the Initiative and the way it stands by two central ideas: that domestic action can incorporate global perspectives; and that there are fluid relations of cause and effect among public policy, private behavior, and the preservation of the natural world.

Though your work thus far has concentrated on population policy, the Initiative proceeds from the axiom that ecological damage is a problem of both population and consumption. As you say, "...discussions of the interactions between environmental degradation and global population growth are intellectually incomplete and politically vulnerable without consideration of consumption." Now that you're beginning to explore the consumption issue in full, I'm grateful for the chance to offer a few observations as you embark.

Your report notes that American environmentalists have had a hard time talking about consumption. Since we're not sure what we mean, we tend to take refuge in normative semantics. We are against "wasteful consumption" or "over-consumption" or the "consumer society." Our remarks tend to be either exhortative or scolding. Usually they are unsystematic (sometimes, it seems, we talk about consumption in moralistic generalities so that we can feel licensed to talk about population in practical specifics).

What I've tried to do here is raise some points and offer some categories of analysis that might spur more sophisticated discussion among environmentalists, particularly environmental funders. My hope is to begin an exchange that will help us think more clearly about consumption and talk about it more persuasively.

The starting point of these remarks has a lot to do with the style of a public inquiry, with the posture we take. Since the potential for alienating people is so high, consumption is one of those issues where posture is crucial. Oscar Wilde said, "One's first obligation in society is to assume a pose. The second obligation is not clear."

1. FOLLOW THE MONEY. The first and last thing to remember is that under today's circumstances there is a **direct relation between how many dollars an American spends and how much environmental damage he or she occasions.** Until we can establish closed-loop economic systems, expenditures of money -- for either goods or services -- flow sooner or later into the national aggregate. We may buy \$100 worth of organic produce through our land trust co-op, but the money will rather quickly (generally no more than five transactions) support activities that deplete the planet. This is not to belittle current changes in household expenditure patterns. They are vital for cultural and political reasons in the short run, and may have important long-term economic implications. But given the pervasiveness of the cash economy, the immediate environmental impact of alternative modes of spending is registered only in their effects on the whole. People who obtain goods and services through non-money arrangements (barter, friendship) can truly brag about environmental virtue. The rest of us should be more cautious.

Three corollaries flow from this:

** There is an automatic and abiding issue of class here. To say so doesn't mean that the rich should be expected to feign remorse whenever the subject of consumption comes up. On the other hand, it would be polite, and politic, if people who spend more than \$50,000 a year could be aware of the self-indictment implicit in any denunciation of consumerism. We need a cold-eyed, up-to-date understanding of who spends what and where it goes.

** The ironic but positive aspect of this is that nearly everyone is implicated and so we're all in this together. Some Americans say they would rather have better public amenities than more disposable personal income, but 99% would want more money if it came without conditions. Money is our lingua franca, and the cash nexus our common ground; its purposeful transformation in a democratic society can only be a vast civic enterprise that is achieved consensually or not at all.

** Thinking about money and its flows quickly reveals an interactive connection between household economies and large-scale economies. This link and the feedback loops which characterize it are essential elements of any analysis of consumption and the environment, and also provide a ready-made framework for discussing consumption in public. Following the money is sound methodology and effective pedagogy.

2. PARSING THE PROBLEM: VALUES & BEHAVIOR.

When environmentalists talk about consumption, they often discuss first what might be considered more fruitfully later on in the conversation: the need for people in industrialized countries to reduce the number of objects they purchase and discard.

Let's assume that a genuinely sustainable economy will require just such a reduction (among other alterations). Let's assume too that this reduction will accompany, and be accompanied by, a significant change in cultural attitudes. It is still not obvious that the best strategy for promoting that reduction is to try to induce those attitudes through education or moral suasion. And yet that is pretty much what we environmentalists have done when consciously addressing the problem of consumption. We tend to decry waste and then call for "new values" to respond to "root causes".

There are a number of reasons why this approach, though engaging and often meaningful, falls short as a broad social strategy. The first, of course, is that we know that "consumption" describes more than the accumulation and disposal of things. It is about the net environmental effects of economic acts: the resource depletion and spoilation occasioned by a given transaction minus the recuperative capacity of the natural systems that the transaction exploits. Environmentally speaking, it is at least as important to achieve more favorable outcomes as it is to reduce the number of outcomes. Efficiency matters. And to achieve efficiencies, we'll have to deploy the talents of the same technical/commercial culture whose chronic optimism unsettles the deep ecologists.

There is a second, even thornier, reason for skepticism about an early emphasis on changing popular attitudes. Though understanding of human behavior is certainly imperfect, the evidence from history and social science indicates that **habits induce values**, not vice versa. This is counter-intuitive to most people, and disagreeable to many. But there are scores of examples where changes in the quotidian patterns of key segments of a population have induced changes in social values which, in their turn, have facilitated the strengthening and enlargement of those same patterns. As Max Weber accepted late in his life, the development of northern European commerce preceded and impelled the Protestant Ethic which then preceded and impelled more commerce. Even if one grants the necessity of a values

transformation, the surest way to achieve it is probably to make attractive the behavioral patterns where the values can be internalized (a strategy, by the way, employed historically by the great religions; rituals always precede catechism).

Clearly values and habits reinforce each other. It might make sense just to leave it at that and dispense with arguments on causality. Still, it bears saying: there are very few examples anywhere of voluntary changes in mass consumer behavior that are not motivated by reasons of **comfort, convenience, or cost**. (For the purposes here, we are defining "comfort" to include health, or at least the absence of disease.) It is probably useful, in sheer tactical terms, for artists and visionaries to describe and promote alternative motives. All movements need vanguards, and we funders should be prepared to help them. But the greater bulk of the environmentalist effort would do better to begin by trying for social arrangements whereby some ecologically benign everyday behaviors are rendered more comfortable, convenient, or cost-effective for the majority of citizens. Conversely, some harmful behaviors should be rendered more uncomfortable, more inconvenient, or more costly. Promote trains, discourage cars. In the process of routinizing the good behaviors, people can become proprietary (even righteous) about doing the correct thing. Those sentiments, in turn, can help foment another round of benevolent social regimes.

3. BREAK DOWN THE TASK. It may be that achieving sustainability by social design is beyond the capacity of our species. The earth might handle the current population/consumption assault the way that ecosystems have dealt with more localized threats in the past: through the traditional antibodies of plague and starvation. There is robust precedent on the side of those who define their role as preserving usable culture for a post-collapse world.

But for those of us committed to the possibility of sustainability by intent, it does seem to make sense -- even if one is dubious about the useful range of the Cartesian paradigm -- to break the task down into constituent parts. Let me suggest four components of an overall strategy for sustainable consumption. Few of the concepts are original (one cause for optimism these days is the way in which scientists and environmentalists have thought hard about these questions already, even though they probably didn't assume that what they were working on was something called consumption). Though all components can be taken on at once, the order of the list suggests a **sequence of emphases**:

- ** Develop a knowledge base and a methodology for assessing the environmental costs of everyday economic transactions.
- ** Promote technical improvements that minimize those costs.
- ** Establish means by which the prices (broadly defined) paid for those transactions approximate their costs.
- ** Reduce consumption by facilitating social arrangements where satisfactions can easily be found outside of commerce.

The remainder of this paper examines each of the four components.

3a. CALCULATE THE COSTS. In the October '93 report, you summarize Mark Sagoff's observation that "the new field of ecological economics ... attempts with only limited success to define and measure the environmental impact of producing certain kinds of goods." For all our talk about internalizing externalities, we environmentalists have only begun to develop the analytic tools we need to shape new public policies persuasively.

From a funder's point of view, that means support for those who are trying to fashion those tools (Bob Repetto and Herman Daly come to mind) and for those who are trying to persuade conventionally trained economists and analysts to enter environmental factors into their calculations. It seems to me that although foundations can't afford to endow chairs of economics on every campus, we have not done what we could to foment a sustained debate that challenges the neo-classical treatment of the environment. Such a debate could be aimed at students, media, and the general opinion-making infrastructure of the nation. "How will economics preserve the natural heritage?" is a question that economists despise but need to be asked anyway, over and over, and in public settings. Funders have not yet tried to stir up this useful fuss.

Nonetheless, environmentalists know enough already to get some information to the public that will help to bring more pressure to bear. The work of Alan Durning seems especially promising. Two months ago Nathan Cummings made a mini-grant (\$10,000) that commissioned Durning to prepare a brief report on the environmental histories of six everyday objects: a cup of coffee; a newspaper; a T-shirt; a hamburger; some french fries; and a can of Coca-Cola. The result, *Ecological Wakes*, is enclosed. We think that this kind of straightforward analysis, particularly if accompanied by arresting images, can help develop a strong constituency for the cause of calculating costs that stretch through time and space.

Funders might consider a coordinated effort to build an inventory of the environmental consequences of the common objects of American households, to convey that information through clever use of mass media, and then, for a more elite audience, to link the new public interest with debates on current and potential policy responses.

The idea is not to anathematize materialism. Just the opposite, in fact: what is needed is a real materialism, a hyper-materialism, that doesn't flinch from examining objects in detail, from mine head to junkyard. A scrupulous attention to things is in the American grain. In the end, ironically enough, it may also be the best way to transcend one's appetite for more and more things.

3b. MINIMIZE THE COSTS. It is in this component -- which embraces energy efficiency, resource recovery, product substitution, waste treatment, pollution prevention and abatement and other approaches often described as technical fixes -- that environmentalists and technologists have been most active and most successful. These gains are terribly important; though they don't mean that we can spend our money without harming the earth, they have made key contributions in limiting the damage. Ask anyone from East Europe.

Environmental funders, least of all directors of Pew programs, need no rundown of philanthropic opportunities in this area. It's what most of us know best. Two points might bear repeating, though, as we consider public discussions on consumption. The first is that cost-minimizing/resource-conserving approaches are vital, and have only begun to scratch the surface. Second is that even if most efficiencies are realized, there will still be important environmental problems. Technical ingenuity is a necessary but not sufficient condition of sustainability.

It may be as important to emphasize "necessary" as "not sufficient". There's a tendency among many environmentalists to de-couple technical fixes from the issue of consumption, and to try to focus consumption discussions on questions of doing without. As long as those discussions take place within the environmental fraternity, they serve useful purposes. But in public forums, when we talk about consumption we can't afford to omit efficiency.

There are some cultural reasons for this. If we leave the question of consumption to those whom Jane Jacobs calls the "guardian classes" (teachers, soldiers, bureaucrats, lawyers, therapists) we will cut ourselves off from the crucial contributions, both technical and intellectual, of the "commercial classes" (business people, scientists, engineers). More than that, we'll need the zest and positiveness of tekkies and entrepreneurs if we want to appeal to an effective political majority in this country. An American movement that does not value cleverness, tinkering, and the convenient short-cut is doomed to the margins, both here and overseas.

3c. BRING PRICES IN LINE WITH COSTS. This is the hard one. As mentioned, we are using the word "price" in a broad sense, as symbol of the value one tenders in exchange for a good or service. Usually that which is tendered is money. But it can also be time, or aggravation, or any combination that touches upon the consumer trinity of comfort, convenience, or cost. As a very general rule, the prices that Americans pay do not reflect the full environmental costs of the good or service purchased. Even when we can confidently calculate those costs, and even after we've done a good job of minimizing those costs through thoughtful interventions, the fact remains that today in this country it is **difficult to induce citizens to impose a higher price through the political process than they would pay through conventional market mechanisms.** The fate of last year's BTU-tax proposal -- which would have internalized a small fraction of the external damage caused by burning coal and oil -- provides a recent cautionary tale.

Let's consider an important example, probably the most important example, of environmental damage occasioned by the behavior of American consumers. In the United States, the prime culprit is the family car. Private automobiles are the biggest sources of air pollution and major contributors to greenhouse-gas buildup and ozone depletion. They cause considerable damage to water

supplies through highway runoff, buried gasoline tanks, and backyard oil changes. They induce sprawl, which gobbles land, empties downtowns, and makes life hard for the unhappy one-third of Americans -- too young or too old or too poor or too disabled -- who can't drive to scattered jobs and shops and can't rely on public alternatives. They require an expensive infrastructure and scores of thousands of employees -- police officers, ambulance drivers, doctors, nurses -- whom we don't usually think of as transportation-related. They kill 40,000 citizens every year. And, of course, they rapidly deplete the planet's finite supply of petroleum.

People also love them, or at the very least want them. Some recent focus groups provoked near-uniform hostility to the proposition that extra fees should be levied on driving, even if those fees could be dedicated to the improvement of transportation alternatives. And yet if one examines the calculations done by Charlie Komanoff and others, it looks as if **car owners pay less than half the costs they incur.**

Only a few places in the world have actually reversed the general pattern of steep increases in the number of vehicles and the number of vehicle miles traveled. These scattered successes share three public policy strategies, all of which have to be pursued simultaneously. First, public transit must be dramatically improved in terms of comfort, frequency, and, above all, security from crime. Second, automobiles have to be banned from some places, physically hobbled in others, and difficult and expensive to park nearly everywhere. Third, authorities have to conduct massive education campaigns aimed at a public that has already indicated its general acquiescence. The good news is that these three-part strategies work and are popular. The bad news is that it seems that all three parts are needed, and all must be pursued at the same time. This is an enormous political challenge, particularly for the USA.

A long digression into transportation policy serves mainly to signal how difficult it is to curtail or re-configure the consumer decisions that really do the most environmental harm. Driving a car is the biggest, but heating and cooling the house and buying food and clothing are right behind. For those activities, one can imagine policy interventions less difficult than the ones needed to reduce driving, but knotty in any case. Imposing a stiff tax on pesticides, for example, would be a considerable task, though not impossible. Federal tax and procurement-policy changes could bring renewable energy sources on line more quickly, but it's hard to be more precise about the load they could carry and hard to assemble the political force to keep pushing. And rarely is it enough to remove the federal subsidies (generally obscured) that prop up some environmentally harmful activities more than the market itself would allow.

Again, this is a context where it's important to stress the potential for efficiency improvements: Amory Lovins thinks that 100 mile-per-gallon cars are ineluctable. Even if he's right, though, there's still a big gap between those levels and sustainability. And as Amory is the first to admit, a clean car still gets stuck in traffic jams and still tends to play havoc with settlement patterns.

Which leads to a modest, maybe obvious, suggestion for us environmental funders. Let's multiply and ventilate these discussions and invite into them men and women previously uninvolved: politicians, journalists, business leaders, think-tankers, and ordinary citizens. Here's a summary of the environmental consequences of typical expenditures made by American consumers, we could say. Can the damage be reduced through new public policies? Would the consumer pay the costs of the damage? What would be the consequences on income distribution, jobs, and public health? What do you suggest?

These discussions would be most successful, perhaps, if they concentrated on the three biggest categories of American household expenditures: housing (41% of personal income); transportation (17%); and food and beverages (17%). The more specific the responses, the better, for the main purpose of the exercise would be to ground our consumption discussions in the **tactile context of everyday life**. Such discussions could be illuminating, and probably would be provocative and open to second-guessing. All to the good so long as the whole exercise is animated by a spirit of open inquiry and sensitivity to the broad variety of social grievances that open inquiry tends to reveal.

3d. GET OFF THE GRID. Steve Baer, inventor and architect, has always hated the way that narrow statistical measurements distort our lives. One time a bank made him write up specifications for the energy systems of a house he was building, and on two of the blank spaces he was to calculate the cost and electrical demands of a washer and dryer. The washing machine he figured out, but in the next space he filled in "89 cents" as the capital and operating expenses of a "solar clothes drying apparatus" that could displace the need for the standard forced-hot-air appliance. Then he strung up a clothesline between two trees in the backyard.

Many Americans would kill for their clothes dryers, but Baer's point is always valid: satisfaction can be obtained through non-money arrangements. Note that he didn't give up dry laundry. What he gave up was the ability to dry clothes on rainy days, and within three feet of the washer. What he got was a considerable savings of money and -- though certainly not generalizable -- the pleasure of hanging clothes on the line and seeing them dance in the wind.

Or take transportation. Though Americans use their cars for meditation, singing, and romance, the general purpose is to gain

access to places. One way to gain that access, though, is to get off the transportation grid and live in a settlement where one can walk to work, stores, and the dwellings of family and friends. Just as cleverness and good planning can squeeze waste out of electrical demand, the same qualities can be employed to remove oneself from the demand in the first place.

None of this violates the earlier precepts about comfort, convenience, and cost. The important element to underline is that not being a consumer in a particular category does not imply that one foregoes the satisfactions that are usually purchased in that category. Instead, one can find ways to get those satisfactions without spending money. Sometimes that involves acquiring goods and services through barter or do-it-yourself. And sometimes it simply involves re-definition of satisfactions so that they are obtained more easily outside the cash nexus: "meeting non-material needs through non-material means," in the phrase of Donella Meadows. Spending money is one way to feel esteemed and valued, and it's a strategy that Americans in particular have employed. But sometimes it's easier and more efficient to cultivate friends and develop one's skills.

In the final analysis, many think, a sustainable economy, even a highly efficient one, will probably demand that its citizens produce more and consume less. Merely by conducting an inquiry that would consider that conclusion, we will almost certainly provoke complicated cultural and economic questions, with some difficult implications for the generation of wealth and jobs. From a funders' view, perhaps the least we can do is to give voice and prominence to those who have succeeded in combining hedonism and frugality. Let's provide them forums, and let them tell their stories.

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