Sustainable consumption and emerging markets: challenges and pathways

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Abstract
In this paper, the importance of sustainable consumption in emerging markets is highlighted. This paper is an initial concept paper which is based on the review of related literature. It highlights the importance of sustainable consumption in addressing the sustainability issues. It is written with an objective to examine the literature in the area of sustainable consumption and consumerism to identify possible pathways for emerging economies. It also establishes significance of opting for integrative dynamic approach by various stakeholders simultaneously to address these challenges effectively. It emerged that if these concerns are not addressed proactively and urgently it may pose serious challenges to the quality of life in these countries.

1. Introduction
Importance of sustainable consumption has increased with globalization (Kilbourne & Pickett, 2008). The development of emerging markets, the size and growth of affluent class in these markets has contributed to the attentiveness of the world about environmental and social challenges (United Nations Environment Programme, 2012). Review indicates that the emerging countries are new industrial economies and their economic, social and environmental infrastructure and systems are not ready to handle these challenges (Zhao and Schroeder, 2010). This paper is an introductory paper which is purely based on the review of related literature in this area, observations and discussions. The article is organized in eight sections. Firstly, the paper starts with introduction then second section discusses characteristics and confusion around sustainable consumption is touched upon. Third section presents importance of sustainable consumption which is examined in the light of problems created by unsustainable consumption. Forth section looks at effect of globalization on sustainable consumption. Emerging market context and its challenges are discussed in the fifth section which is followed by a discussion about the possible approaches. The seventh section covers discussions and conclusion while the eight and the last section briefly discusses implications for future researchers.

2. Sustainable consumption
The term ‘sustainable consumption’ do not have a universally accepted definition (Peattie and Collins, 2009) and often lacks clarity (Markkula and Moisander, 2012; Banbury, Stinerock, Subrahmanyan, 2012). Review of literature in this area indicates that often terms like ‘green consumption’ (Gilg, Barr and Ford, 2005), ‘responsible consumption’ (Fisk 1973; Autio, Heiskanen and Heinonen, 2009), ‘mindful consumption’ (Seth, Sethia and Srinivas, 2011) and ‘ethical consumption’ (Newholm and Shaw, 2007) indicates differences in the scope of definitions and sometime they are also used interchangeably (Pereira Heath and Chatzidakis, 2012; McDonald, Oates, Young, and Hwang, 2006).

It was called ‘responsible consumption’ by Fisk (1973) and was defined as a consumption which focuses on rational and efficient use of resources. Under ‘ethical consumption’ environmental, social and moral sensitivities became part of consumption behaviour with a clear inclination to limit the consumption of the affluent class (Newholm and Shaw, 2007). It was termed as “mindful consumption” by Seth, Sethia and Srinivas, (2011) and is expressed as consumption which limits the tendencies of excess with thoughtfulness towards welfare of self, environment and society. Some researchers define sustainable consumption on the basis of the triple bottom line definitions of sustainability. The world economic forum defines sustainable consumption as “consumption that meets the needs of the present without compromising the ability of future generations to meet their own needs” (p 10, World Economic Forum, 2013).
These are categorised as broad definitions (Peattie and Collins, 2009). Wellbeing of future generation, dynamism and evolutionary tendencies are integral part of sustainable consumption (Reisch, 2001). Some researchers feel that sustainable consumption is not limited to the maintaining of the current levels of consumption but extended to restricting it as current levels are unsustainable (Schaefer and Crane, 2005). Peattie and Collins, (2009) strongly endorsed that equitability in sharing the benefits of consumption across society is also part of sustainable consumption. Reviewed literature indicates that these developments in definitions are important as it acknowledges the dynamic nature of the concept.

3. Why sustainable consumption

The changing world is testing various economic systems and their philosophies. Interestingly capitalistic tendencies are growing multifold in developing economies, however, in the mature industrialised economies they are being questioned for their materialistic, obsessive and addictive nature (Etzioni, 1998). Capitalist tendencies are often accused for their narrow focus on the economic aspect of development than on the social or the environmental aspects (Varey, 2010). Reviewed literature indicates that capitalism has contributed substantially to the rise of consumerism.

Critiques say that consumerism was originally motivated by the objective “to improve rights and powers of buyers in relation to sellers” (p 619, Kottler, 2010) has now become a way of “vigorously promoting a culture of consumption” (p 192, O'Shaughnessy & O'Shaughnessy, 2002). It seems that while chasing rights, responsibilities were forgotten (Fisk, 1973). Consumerism in this context is a compulsive drive towards consume more which is motivated by wants not by needs (Etzioni, 1998) or by consumption capacity (Seth, Sethia and Srinivasan, 2011).

Unmindful (Seth, Sethia and Srinivas, 2011) and irresponsible consumption (Fisk, 1973) has contributed to the unprecedented growth of consumerism which is unsustainable. Consumers started to focus more on the image value of consumption than its utility (Connolly and Prothero, 2003). Consumption, an important part of economic, cultural and social process (Dolan, 2002) became more materialistic in nature (Kilbourne and Pickett, 2008). In the process, consumption “…has become the primary mechanism through which relationships within society are structured; through which we pursue individual happiness, expression, meaning and status; and through which national wealth and success are largely measured” (p 109, Peattie and Collins, 2009). Unsustainability in consumption is because of narrow focus on purchase, rather than understanding it as “… a process of decisions and actions that include purchasing, product use and dealing with any remaining tangible product after use” (p 107, Peattie and Collins, 2009).

The unsustainable consumption is a dominant factor responsible for many environmental and social problems (öländer and Thøgersen, 1995; Etzioni, 1998; Fisk, 1973). This hunger for more has posed serious challenges to the earth’s available capacity to provide and hence contributed to the growing unsustainability (Assadourian 2010). In the blind chase of materialistic pleasures, environmental, social, physical and psychological impacts of consumption are overlooked (Kilbourne, McDonagh, and Prothero, 1997). As a result, it has contributed to the environmental problems like environmental degradation, waste, energy problems, depletion of resources etc. and to the social problems like individualism, hording, loneliness, insecurities, dissatisfaction, short term happiness etc. (Varey, 2010). Researchers like Assadourian (2010) believed that more than sixty years of unsustainable consumption have contributed to the post 2007 financial upheavals. Overall, it seems that the growing consumerism is contributing to the unsustainable future of the economic systems, the ecosystems and the social systems (Fisk, 2006).

4. Globalization and its impact on consumption

Globalization is considered a major force of the current times (Reisch, 2001). Besides propagation of economic development, globalization with the progression of modern technology has contributed in making production, distribution and consumption processes faster than ever (United Nations Environment Programme, 2012). There is no doubt that it has contributed to the economic development but inthe process it has resulted in the growth of social and environmental cost (World Economic Forum, 2013). Fisk (2006) highlighted that the globalization of business generates both the social costs and the social benefits. Globalization of value chain has resulted in the treatment of these markets as dumping ground of waste from developed countries (Zhao and Schroeder, 2010).Globalization of markets has resulted in the exposure of the emerging market consumers to the world of “unprecedented choices” (p 167,
Seth, 2011). It has contributed in changing aspirations of consumers in these markets (Doyle, 2008). Globalization is adding materialism to consumer lifestyles; thus impacting environment adversely (Kilbourne & Pickett, 2008). Review indicates that the globalization is spreading consumerism and business and media are playing significant part in the process (Assadourian, 2010). Besides adding social and environmental costs, it is also adding to benefits by propagating awareness and interest in environmental issues across the world (Leonidou & Leonidou, 2011). Generation and dissemination of sustainable consumption and production related information becomes important, especially in the context of emerging markets and developing countries (Stevens, 2010).

5. Emerging markets and sustainable consumption

Globalization has introduced the fast pace in the economic development of emerging markets and developing countries by providing them access to the latest technologies and products (Zhao and Schroeder, 2010). It is contributing to the growing wealth of consumers in emerging markets and newly industrialized developing countries (World Economic Forum, 2013). However, similar to industrialized economies, in these countries also development has resulted in the growth of unsustainable consumption and waste (United Nations Environment Programme, 2012). Literature highlights that the emerging markets are facing difficult situations besides having some similarities in their challenges with industrialized economies. These difficulties can be associated to the differences in their contexts (Zhao and Schroeder, 2010).

The most important challenge is related to the management of consumption. It is important to remember that consumption is driving emerging economies (World Economic Forum, 2013; Kilbourne & Pickett, 2008) and hence it is difficult to curtail it in short run. Moreover, the inequality of income distribution in these countries requires addressing hyper-consumption in rapidly growing affluent aspiration class and under-consumption in the lower income class simultaneously (Reisch, 2001). This is the reason why the common strategy of price increase on certain products may not result in desired reduction in demand due to growth in the purchasing capacity of aspiration class but such increase may adversely affect poor population (United Nations Environment Programme, 2012). So for these governments challenge is “achieving wider prosperity for current generations without undermining the sustainability of long-term prosperity” (p16, World Economic Forum, 2013).

The size of aspiring middle class of these countries and its growth are causing very serious challenges to the sustainability efforts done so far in the world (Seth, 2011; Fisk, 2006; Etzioni, 1998). The growing consumerism in newly industrialized countries is threatening to offset the progress made so far in addressing sustainability issues by the industrialized countries (Pereira Heath and Chatzidakis, 2012; Zhao and Schroeder, 2010). The lack of transparency, competition and informed choices are major barriers (Stevens, 2010). The challenges of ineffective and inefficient production and distribution systems in these countries are also severe (Zhao and Schroeder, 2010; Krantz, 2010; Peattie and Collins, 2009). Moreover, the initiatives in emerging markets and developing countries often face shortage of funding and rely on supports from international communities (United Nations Environment Programme, 2012).

The discussion so far clearly indicates that there is an urgent need for various stakeholders in emerging markets to proactively participate in facilitation of sustainable consumption.

6. Possible pathways for sustainable consumption in emerging markets

Literature indicates many approaches to handle these challenges. Sustainable consumption is only possible when its importance is understood and when it is adopted and implemented by three major stakeholders i.e. consumers, businesses and government (Fisk, 1973). Following this guideline from Fisk (1973), further discussions are categorised w.r.t. their focus on consumers, business and government.

(a) Sustainable consumption and consumers’ level initiatives

In review, the lack of consumer awareness emerged as a big hurdle in the propagation of sustainable consumption in these markets. Moreover, using proactive communication to promote care “for minimum environmental impact or maximum use of renewable resources is not yet a common practice” (p 729, Fisk, 1997). There is a strong possibility that consumers in these economies alike to their counterparts in industrialised countries are either not aware how their consumption contribute to these environmental and social problems or they do not want to accept their contribution in the problem or perceive it as a supply side
issue (Connolly and Prothero, 2003) or conveniently may choose to blame other institutions like education, society and businesses or just simply do not know how their individual consumption can make the difference or are waiting for collective action (PereiraHeath and Chatzidakis, 2012). In order to develop sustainable consumption globally, the efforts are required in the area of “innovation, conservation, and recycling” (p 217, Fisk, 2006). Mostly the consumer awareness and efforts in this direction are limited to the effective use of energy resources, reducing carbon emissions and recycling (Peattie and Collins, 2009). Therefore it is important that consumers should be informed about how growing consumption contribute to environmental degradation (Connolly and Prothero, 2003) which may help them to look beyond the box. The cumulative effect of participation of consumers can only be achieved when consumers’ consider about these issues while consuming (Polonsky, 2011).

It is interesting to observe that the environmental consciousness is contributing in directing consumption towards green products but still it is not successful in impacting extent of their consumption significantly (Connolly and Prothero, 2003). In order to ensure better engagement and voluntary participation from consumers, it is important that the information should be provided from the beginning, consumers should be given broad objectives and choices to opt for sustainable behaviour and two way communications should be facilitated (ölander and Thøgersen, 1995).

Some researchers (Etzioni, 1998; Prothero and Fitchett, 2000) suggest option of voluntary simplicity. Consumers who follow this ideology believe in limiting desires and just to focus on necessary consumption (Prothero and Fitchett, 2000). These consumers “pursue nonmaterial satisfactions and value nature, people, and self-growth above material possession” (p 531, Mcdonald, Oates, young and Hwang, 2006). However, such simplistic lifestyle will be appealing only to those whose basic needs are fulfilled and they feel secure that their need will be met in the future also (Etzioni, 1998). Such lifestyle will only become mainstream behaviours if the value of adopting such lifestyle can be promoted (Protero and Fitchett, 2000). From the review it appeared that emerging markets may promote such lifestyle only to the affluent and to the higher middle class segment of population. Some researchers feel that sustainability in production and consumption should be addressed simultaneously as “correcting market and systems failure is mutually reinforcing” (p 21, Steven 2010).

However, in the coming years it would be interesting to see how in these countries, sustainable consumption is made attractive and the part of normal and aspiring lifestyle (Zhao and Schroeder, 2010).

(b) Sustainable consumption and businesslevel initiatives

Some researchers (Heiskanen, Mont and Power, 2014; Seth, 2011 and O'Shaughnessy & O'Shaughnessy, 2002) believe that in the light of feeble efforts of consumers and policy makers in this direction (Krantz, 2010), business should take a lead in these efforts. Some researchers are of opinion that business has actively contributed in the propagating consumerism by creating variety, by extending shopping timing, by promotion (Seth, Sethia and Srinivas, 2011), by producing short shelf life products, by inducing obsoleteness through fashion trends (Assadourian 2010). Therefore, the business should lead this transformation by directing consumption, discouraging wasteful consumption of resources and by actively participating in reforms (Seth, Sethia and Srinivas, 2011).

Business can promote sustainable consumption with help of sustainable marketing which is defined as “building and maintaining sustainable relationships with customers, the social environment and the natural environment” (p 139, Belz, 2006) which is believed to help consumers in understanding the value of being less materialistic. Such marketing efforts cover conservation comprises reduction, reuse and recycling while green marketing promotes “products that are less-harmful for the environment” (p 175, Seth, 2011).

Social normalization was suggested as an approach to facilitate adoption of green products in mainstream as if promotes green products as normal like everyday consumption items (Rettie, Burchell and Barnham, 2014). They opined that positioning a product as the “new normal” can be helpful in addressing consumer scepticism (p15, Rettie, Burchell and Barnham, 2014).

Discussions so far suggest that businesses are trying to address these issues at production, distribution and consumption level. However, business efforts often falls short and therefore they should try to collaborate with government in order to influence consumption (Seth, 2011).

(c) Sustainable consumption and government level initiatives
Political systems, governments and Institutions are powerful forces in any economic system (Markkula and Moisander, 2012) and are very important in emerging markets (Seth, 2011). Hence, these researchers believe that government and institutions should take more responsibility to bring this change rather than leaving it to individual consumer. Significant changes will only be visible when individual sustainable consumption efforts are supported by collective measures from the government (Ölander and Thøgersen, 1995). It was strongly endorsed that consumer policies should attempt to change materialistic values of the society, provide sustainable production alternatives and address “consequences of resource allocation at both systemic level and individual levels” (p892, Kilbourne & Pickett, 2008).

Governments can influence both the demand and supply side of consumption by using direct or indirect measures (Stevens, 2010). She indicated that to address demand side challenges, government can contribute indirectly by educating consumers and by supporting labelling. This helps in creating a pull force for encouraging sustainable consumption. At the supply side, subsidies for sustainable production and distribution can work indirectly, while regulations (like compulsory sustainable labelling, certifications and reporting) and taxes work directly (Stevens, 2010). Government should focus on the direction of subsidies and policies to watch if it is not fuelling the unsustainable consumption (Assadourian 2010).

Government in emerging economies are facing many challenges and are facing multiple demands for their limited fund (United Nations Environment Programme, 2012). Therefore, for efficient and effective results, the approach should be more focused to the areas which create higher carbon foot prints like “processed foods, modern homes and personal vehicles” which are responsible for “more than 70% of carbon footprints” (p 175, Seth, 2011). Moreover, it is important to mention that in emerging markets, development is still at its early stages hence, it is important to take “decisive actions” proactively to establish “sustainable consumption and production systems” to save them from “becoming locked-in by unsustainable infrastructures and consumption behaviour” (p13, Zhao and Schroeder, 2010).

7. Discussions and conclusions

Analysis so far indicates that there is need for many mega initiatives by all stakeholders. It also suggests a systems approach to understand the interconnectedness among these stakeholders and their inter-linkage with environment and society (Polonsky, 2011). In the emerging markets, the change require a radical approach in economic, environmental and social frameworks where philosophical and working partnership is required among government, industry, consumers and educational institutions (Schafer, Jaeger- Erben, dos Santos, 2011).

Knowledge co-production among various stakeholders including educationist and researchers can be helpful to build knowledge society on sustainability which will facilitate policy implementation of these ideas (Heiskanen, Mont and Power, 2014).

The context should be respected as there are subtle to major differences even in these newly industrialised economies. It is better if government, businesses and consumer societies in emerging markets carefully evaluate strategies working in developed countries and develop an understanding of both contexts as it will help them in make wise adjustments needed to respond to the challenges in sustainable consumption (Zhao and Schroeder, 2010). Like in Brazil, it was observed that mobility and housing are under influence of materialistic tendencies but in food their likings are shaped by culture so are not under that much influence (Schafer, Jaeger-Erben, dos Santos, 2011). Therefore, the stakeholders may decide to prioritise focus on the areas of housing and transportation and this can be achieved by changing the way cities are designed and constructed (Schafer, Jaeger-Erben, dos Santos, 2011).

Besides combining forces of these three stakeholders, sensitization of other influential force like media houses and educational institutions may propagate these efforts rapidly (Assadourian 2010). Education institutions at all levels may participate by actively incorporating and promoting ecological and social education as part of their curriculum (Ölander and Thøgersen, 1995). Other influencing stakeholders to be involved can be community and religious organizations (Narayanan, 2010).

Literature also suggests an interesting but ambitious strategic option of building “a closed-loop, low-carbon economy with zero waste markets” (p 7, Krantz, 2010). These markets will have supply ‘loops’ in which both consumers and manufacturers are co-producer of value. In this system, consumers were able to “re-supplies to the manufacturer with value via end-of-life products” (p108, Peattie and Collins, 2009). These
researchers indicated that for such change companies will need innovation in terms of “new business models, greater trust, and greater stakeholder engagement” (p 7, Krantz, 2010). A need for dynamic approach rather than a static also emerged in the review because consumers are changing and so is the world so the approaches need to cope with change (Mcdonald, Oates, young and Hwang, 2006).

Review so far strongly indicates that the situation is complex due to its macro nature and micro aspects and the path is not easy. However, it also warns that it should not be used as an excuse for not taking responsibility towards sustainability. The efforts are required at all levels and have to be dynamic and simultaneous. Each stakeholder in sustainability has to take responsibility participate and facilitate the process.

8. Direction for future research

This paper is based on the review, observations, discussions with colleagues and experience of author and indications emerging from them. This an preliminary paper is written with an objective to bring the attention of researchers in emerging market towards this important issue by highlighting the importance, challenges, scope and possibilities in this area.

The review clearly indicates lack of studies in emerging market context where future researchers may desire to focus on. Review indicates that various stakeholders and their role changes in different country environments which can also be a line of enquiry for future research. Review also highlights there is a need for contextual and comparative studies which may entice some future researchers as well. Future researchers may find interesting to explore potential of current peripheral stakeholders like education based institutions, community based institutions and religion based institution in promoting sustainable consumption. Overall it can be concluded that this sustainable consumption is either is an integral part or is going to be an important part of strategies of all stakeholders in the coming future and hence this research area has a lot of potential to explore further.

References


