



# Solutions

*For a sustainable and desirable future*

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## Millennium Consumption Goals Seek to Protect the Poor and the Planet

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Skyscrapers under construction in Qatar. The 2008 national footprint calculations show that high-income countries used resources about 1.8-fold their nationally available biocapacity; Kuwait and the United Arab Emirates are at the high end with over ten-fold, and Singapore 180-fold.

Unsustainable patterns of consumption and production have led to multiple problems threatening our future—like poverty, resource scarcities, hunger, disease, and environmental harm. Focusing on correcting key drivers such as consumption and production leads to integrated solutions that can solve many problems simultaneously, where piecemeal solutions have failed before.<sup>1</sup> The consumption-driven global economy already uses natural resources equivalent to almost 1.5 earths, with the world's richest 1.4 billion consuming almost 85 percent of global output—over 60-fold the consumption of the poorest 1.4 billion.<sup>2</sup> The consumption by the rich is not only ecologically unsustainable, but also crowds out the prospects of the poor and exacerbates inequalities that increase the risk of conflict and global unrest.

To address this challenge, Millennium Consumption Goals (MCGs) have been proposed as one key building block of a comprehensive framework for sustainable development that might emerge from the Rio+20 Earth Summit.<sup>3-6</sup> The MCGs have three major objectives:

- **Environmental:** to reduce humanity's global ecological footprint to less than one planet earth.
- **Social:** to meet the basic consumption needs of the poor and make the distribution of consumption more equitable, within this global-resource-use envelope.
- **Economic:** to promote prosperity within a sustainable economy that is economically efficient, but respects critical environmental and social sustainability constraints.

Specific target areas where MCGs would apply are summarized in the box below.

MCGs seek to achieve sustainable development by making consumption and production more sustainable in environmental, social, and economic terms.<sup>13</sup>

The first MCG addresses poor people's chronic underconsumption:

meet everyone's basic consumption needs (food, water, energy, shelter, health, education, etc.)

Next, several key resource-related MCGs tackle unsustainable consumption by the rich:

greenhouse gas emissions reduction  
energy use (conservation, fossil fuels, renewable energy, transport, buildings, urban planning, etc.)  
water use (conservation, quality, re-use, etc.)  
land and biomass use (urban habitats, rural land, buildings, forests, protected areas, agro-ecological balance, biodiversity, etc.)  
ores, metals, and industrial minerals  
construction materials and minerals  
pollution and waste (air and water effluents, solid waste, toxic waste and chemicals, etc.)

Other MCGs would aim to increase human and ecological well-being by bringing about less material-intensive lifestyles and improving livelihoods. Focus areas include:

food and agriculture (e.g., reducing food losses and waste, increasing agricultural yields, reducing land degradation and deforestation, etc.)  
health and obesity (e.g., diet, smoking, exercise, etc.)  
transportation, housing, and habitats (e.g., reduced energy use, better space planning, more sustainable cities, etc.)  
livelihoods, recreation, and leisure (e.g., through reduced working hours and better working conditions)

Finally, the MCGs could target:

economic-financial systems (progressive taxation, banking reform, measures of well-being, etc.)  
military expenditures

Generally, the national ecological footprint is correlated with per capita income.<sup>7</sup> For example, the 2008 national footprint calculations show that high income countries used resources about 1.8-fold their nationally available biocapacity (sustainable level of resource use), middle income countries around 1.1-fold, and low income countries one-fold. At the high end, Singapore, Kuwait, and the United Arab Emirates (UAE) have ratios of 180, 23, and 13, respectively. Many countries essentially impose their footprint globally, and suck up natural resources from abroad. This phenomenon highlights imbalances in trade, where the consumption by the rich depends upon exploiting production conditions in poor countries where natural resources and labor are underpriced. This cycle further depletes the dwindling domestic resources of poor countries.

While the MCGs are a novel concept, they have roots in the original Agenda 21 from the 1992 Rio Earth Summit,<sup>8</sup> which stressed the need for "changing unsustainable consumption and production." Sustainable consumption and production were also highlighted at the 2002 World Summit on Sustainable Development in Johannesburg. The MCG concept is directly based on a comprehensive and integrated transdisciplinary framework called *Sustainomics*, which was also presented at the 1992 Rio Earth Summit.<sup>2,9</sup> *Sustainomics* sets out a step-by-step methodology to make development more sustainable, which empowers people to take immediate action by eliminating existing unsustainable activities. It is based on a balanced consideration of economic, social, and environmental concerns. *Sustainomics* seeks to transcend traditional boundaries of

space, time, unsustainable values, and narrow stakeholder interests. It uses transdisciplinary thinking as well as both conventional and new analytic tools.

A comprehensive path to sustainable development was laid out with great enthusiasm and hope in Agenda 21.<sup>8</sup> After a period of inaction, the original goals of Agenda 21 (considered to be too ambitious and expensive by donor nations) were replaced by the more modest Millennium Development Goals (MDGs), launched in 2000 to improve the well-being of billions of poor people.<sup>10</sup> Even here, the results have been mixed,<sup>11</sup> and the current economic crisis along with emerging problems like energy, food, and water shortages as well as climate change make it unlikely that many MDG targets will be met.

The MCGs will complement the Millennium Development Goals and serve as one essential brick that will support any or all of the much larger schemes to be discussed at Rio+20, including Agenda 21, the Green Economy, the Sustainable Development Goals, and the Gross National Happiness initiative (promoted by Bhutan).<sup>6</sup> The MCGs would aim to curb consumption by the affluent evenhandedly in all countries, thereby freeing up resources to meet the basic needs of the poor. Instead of viewing the affluent as a problem, the novel approach of the MCGs would persuade them to contribute to the solution without having to reduce their quality of life. This will require both top-down and bottom-up processes to set global targets and then allocate consumption equitably among countries, sectors, cities, communities, and firms.

The problems of setting and implementing mandatory national targets are illustrated by studying the issue of greenhouse gas (GHG) emissions, which are the cause of global warming. The most widely known example of a global consumption target is the 1997 Kyoto Protocol where the developed (Annex 1) countries agreed to reduce their collective greenhouse gas emissions by 5.2 percent during 2008–2012, relative to their 1990 emissions baseline. However, there was no enforcement mechanism. Ultimately, the United States refused to ratify their target of 7 percent, and even signatories like the European Union countries (8 percent) and Japan (6 percent) have not met their goals. Recent international meetings on climate change have failed to revive Kyoto or develop any binding targets. Instead, most countries appear to be more comfortable with pledges to meet voluntary targets, which are inadequate to address growing global warming. Meanwhile, discussions to determine how the emissions mitigation burden should be shared among nations drag on, based on past and existing emission levels, resource endowment and availability, economic capability, equity, and other country-specific criteria. At the last international negotiations in Durban (COP17 in December 2011), countries could only agree that a global agreement might be implemented by 2020, which, according to scientific evidence, is too late to avoid “dangerous levels of climate change.”<sup>12</sup>

But we need not wait for governments to take action. While top-down, international negotiations on a lasting agreement for sustainable development will continue through the Rio+20 summit, the Millennium Consumption Goals Initiative (MCGI) has already launched a bottom-up effort, which has attracted worldwide support from a broad coalition of stakeholders.<sup>5,13</sup> The MCGI emphasizes voluntary actions by many pioneering individuals, communities, organizations, firms, cities, regions, and nations, who are willing to set up their own specific voluntary MCGs, monitor and implement them, and report progress.

In particular, MCGs can provide a readily implementable framework for the middle tier of decision makers (e.g., mayors of cities, leaders of community organizations, and CEOs of companies), permitting them to act more decisively and quickly. Authorities at national and international levels would have to take enabling actions to create a locally driven and country-specific approach. Specific activities to implement the MCGs would include interventions in key areas of the economy, and could range in scale from the household to the company or community. It is possible to achieve many MCGs by implementing existing policy tools (including cost-reflective prices, accurate product labeling and information, public education, environmental laws, the polluter-pays principle, etc.) and by adopting best practice methods and processes, especially

among producers (firms). More public education (especially for the young) is essential to ensure the widest possible support for the measures.



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A busy shopping mall in Osaka, Japan, in 2007. The consumption by the rich is ecologically unsustainable and exacerbates inequalities. The Millennium Consumption Goals have been proposed to make consumption more equitable and sustainable.

Energizing communities that include high-consumption households and businesses can often change behavior more quickly than central government policies and long-term investments. Already, many large cities in Europe and elsewhere have declared voluntary targets to reduce consumption of resources like energy and water and production of carbon emissions, usually by 20 percent or more within the next five to ten years.<sup>14</sup> Progressive business leaders have also pledged to overcome barriers faced by consumers, such as lack of information and a sense of powerlessness, as well as to address the availability and affordability of sustainable products. Major reductions in resource use per unit of output are possible.<sup>15</sup> Thus, several giant multinational companies and other firms have declared energy, water use, and carbon emissions reduction goals on their websites over time periods from 2020 to 2050.<sup>16,17</sup> This is a welcome contrast to the continuing reluctance of world leaders to decisively address pressing sustainable development issues. In summary, voluntary MCGs could be pursued by the willing, at whatever level they choose, and could focus on the goals they prefer.

Focusing on the rich worldwide has a big potential payoff. Since the affluent account for over 80 percent of consumption and pollution, even modest shifts in their consumption can effectively reduce the environmental burden and free up resources to raise poorer peoples' living standards. Research indicates that there is a great deal of overconsumption and waste here, so initial cuts can be made with little pain and even an increase in well-being. For example, at the individual level, healthier diets and lifestyles will not only save resources but will also improve quality of life.<sup>18</sup> Furthermore, there is significant scope for savings in food, given that food waste within homes is around 30 percent in Western Europe and closer to 50 percent in North America.<sup>19</sup>

Often, win-win outcomes (i.e., saving both resources and money) have not been pursued because waste and overuse are encouraged both globally and locally by distorted policies (like subsidized prices for energy, water, and agriculture) as well as market failures (like externalities, where hidden pollution costs are imposed on innocent parties and not incurred by the polluters). Ensuring that markets set resource prices that reflect their true economic values and getting polluters to actually pay for the damages caused by their actions are among the first measures that will help eliminate unsustainable consumption. Government laws and regulations are crucial,

but sustainability-conscious businesses and civil society need to cooperate, rather than exploit loopholes.

Changing such mindsets will be a challenge. The Washington Consensus that dominated government thinking in the 1990s and led to the current economic collapse still persists. But many ordinary citizens, businesses, and mid-level policymakers are already ahead of national political leaders in terms of willingness to address an array of sustainable-development issues. While understanding that pricing and other market-based policies generally lead to more efficient allocation of scarce resources devoted to consumption and production, they also realize that unrestrained market forces will not ensure sustainability unless there are constraints based on environmental and social criteria. That is why we urgently need the MCGs, which place the emphasis directly on sustainable consumption and production, to ensure a sustainable future for our children and grandchildren.

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