New consumerism

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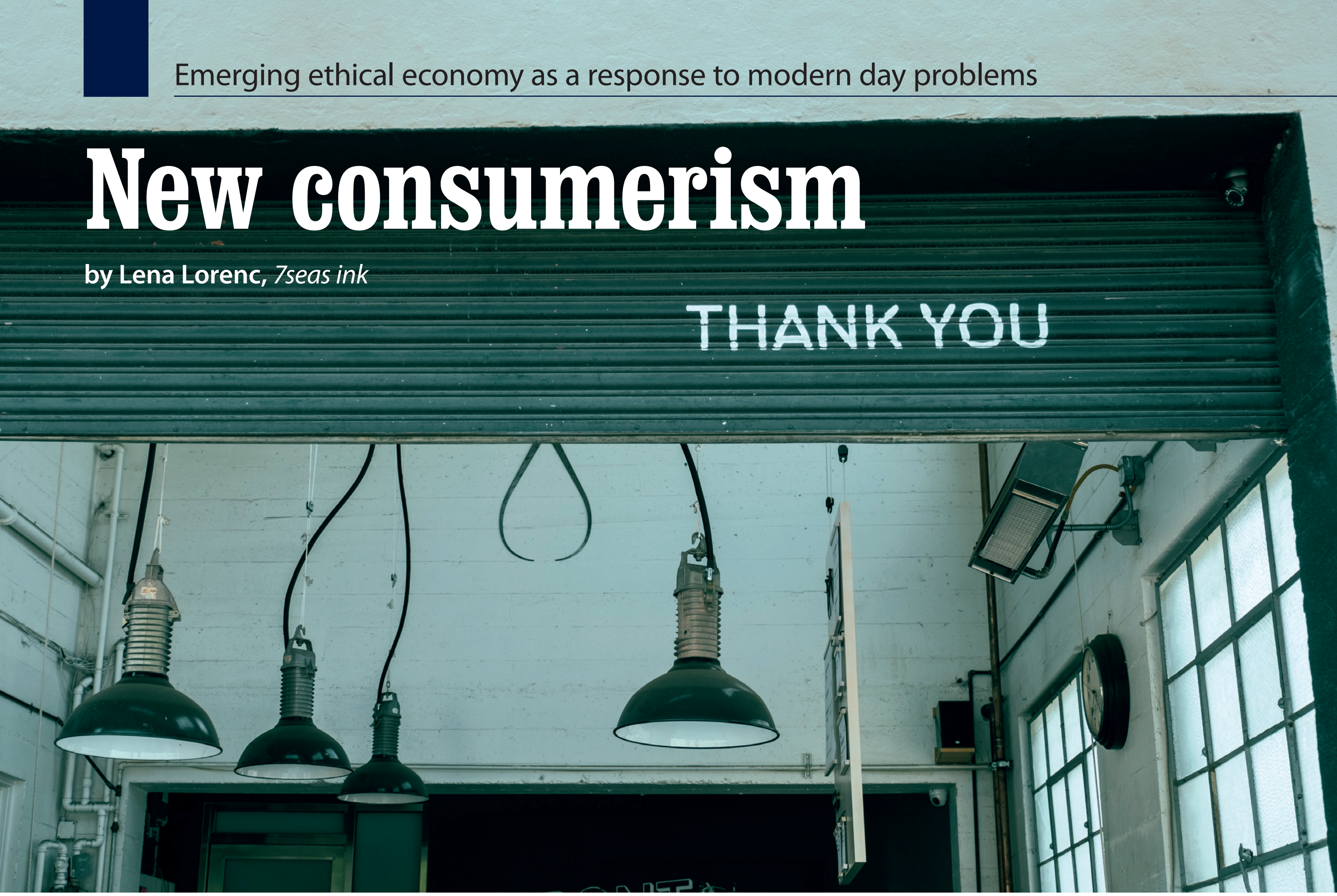


"Covetousness, anger and foolishness are things to sort out well. When bad things happen in the world, if you look at them comparatively, they are not unrelated to these three things," the maxim from the centuries-old *Hidden Leaves* still aptly describes our current condition. The force with which people desire wealth and possession is powerful, though inevitably self-destructive. Paradoxically, these greedy times of excessive consumption gave birth to several countermovements aimed at reconciling human beings with themselves and the nature.

Growth has been at the centre of neoliberalism once it took over the global agenda in the 1980s. The neoliberal economic system, devoid of its own internal moral compass, attempts to translate all social processes into maximization of revenues, expressed in money. Subsequent areas of life are subjected to market forces and the logic of profit. A narrowly understood economic success is blind to the costs it generates – ignoring planetary devastation or employee exploitation, for instance. The Gross Domestic Product (GDP) indicator, a sort of an all-embracing idol for many, takes into account only a small part of human activity, omitting what is really important to a lot of us (e.g. things other than monetary happiness, an "oversight" the tiny nation of Bhutan fully understood when it exchanged GDP for its Gross National Happiness index). Progressive individualism and competition has led to the disappearance of solidarity and compassion for the other (after all, the neoliberal agenda goes, we're playing the zero sum game). Disintegration of social connection is to be compensated with the spiral of consumption. Use people, own things – not the other way around.

Techno-trash

Revolting public all over the world seems to be fed up with these ever-so-loud promises of growth, prosperity, and success, simultaneously struggling to pay their bills (while the rich get richer). Meanwhile, the environment itself is becoming hostile towards the human kind because of the so-called technosphere, another outcome of neoliberalism gone awry.

An article published in the *Earth's Future* journal stresses that although biospheric relationships between production and consumption of biomass have been resilient to changes in the Earth's self-regulating system of homeostasis for over billions of years, our species is refashioning this link with unknown consequences. Since the dawn of the modern era, we've been creating our own coating on the planet, which increasingly includes the nonorganic items that will outlast us. We've all heard about islands of plastic trash in the oceans, which eventually land on our tables as we now eat plastic-infected fish and other seafood (according to Greenpeace data, a total of 8.0 million tonnes of plastic ends up in our seas every year, an equivalent of five shopping bags of waste on every foot of coastline in the world; read more in BTJ 4/16's *An ocean cleaning ship. The Ocean Phoenix project*). Similar damage is made to the lands we inhabit; whether it goes for millions of non-degradable straws used every day in the

Tab. 1. Selected trends forming the new consumerism

The green economy	Defined as an economy that aims at reducing environmental risks and ecological scarcities, as well as at sustainable development without degrading the environment. It comprises two key tenets – renewable energy and recycled/reusable material – in order to ease pressure on natural resources as well as curb CO_2 emissions, at the same time helping prevent any potential risks in the supply chain. Increasingly, a larger number of companies are endorsing the principles of the green economy by incorporating policies that are more eco-friendly, reducing their reliance on natural resources. Sustainable transportation, one aspect of the green economy, makes a positive contribution to the environmental, social, and economic sustainability of the communities it serves.
The circular economy	A regenerative system in which resource input and waste, emission, and energy leakage are minimised by slowing, closing, and narrowing material and energy loops. This can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and recycling. This system stands in opposition to the take-make-dispose model of production of the linear economy, and as such has the potential to completely transform the way how businesses are run (read more in BTJ 3/15's *Special* section).
The sharing economy (collaborative consumption; access economy)	A business model where goods and services are traded on the basis of access rather than ownership. The two key aspects driving the sharing economy are the frequency of product usage and the space required to store them. Products that are occasionally used (such as tools), used once (such as DVDs), and for a specific period of time (such as baby equipment) are rented out, reducing the need to buy new products, hence contributing to sustainability (here also check BTJ 3/15).
The subscription economy	A business model in which pay-per-product (or service) is moving towards a subscription model with consumers subscribing to a regular product or service for a specific subscription fee. The model was pioneered by magazines and newspapers, but is now used by many businesses and websites (e.g. Netflix). There are various forms of subscription models, including surprise boxes, regular supplies, short-term access, and long-term leasing.
The fair economy (fair trade; fairly traded)	Fair trade is a social movement whose stated goal is to help producers in developing countries achieve better trading conditions and to promote sustainable farming. Members of the movement advocate the payment of higher prices to farmers, as well as improved social and environmental standards, allowing them to afford a decent standard of living. This helps to secure an unhindered supply chain. Fairly traded, in turn, stands for a consumer's conscious acknowledgement that quality products deserve to be paid more for (e.g. fair trade coffee is purchased because of the attention given to working conditions, not quality, as the two may but doesn't have to go hand-in-hand, while one fairly trades coffee because of quality, which requires better working conditions).
The "gig" economy	A move away from a "job for life" to a working life characterised by short-term contracts, freelance work, and entrepreneurship. It is heralded by many as the future of work. It has a two-fold impact; on the one hand it gives autonomy and freedom to contractors, while on the other allows the working arrangement to be limited to a certain period of time based on the needs of the employing organization. It therefore leads to changes in consumer lifestyles and behaviours, e.g. to sharing economy (why to own a car when it won't be crucial for my next month job).

Source: Euromonitor International; Wikipedia

Photo: Wikipedia Commons

fast food industry, pieces of broken tiles from home renovation, mobile phones that caught on fire, formaldehyde-loaded bras, or old cotton T-shirts – anything that's not recycled has the potential to fossilize and be preserved over time. In March 2017, *Slate* reported that conservative geological estimates of the weight of technofossil layer we've created on Earth accounts for 30 trillion tonnes (a mass greater than 50 kilos for every square metre of our planet's surface). Moreover, the diversity of the manmade types of technofossils already exceeds the number of biotic species living on Earth now.

Apart from the nature made hydrosphere, atmosphere, lithosphere, and biosphere, the human civilisation has created a completely new one, the already mentioned technosphere, which starts where technodiversity extends its influence into the other spheres, and includes the cities we've built, agriculture, power supplies, transportation and energy infrastructure, technologies we use, and clothing we produce with supermassive frequency (to be sometimes dumped barely used in hundred-acre big landfills). Technosphere is a necessity to our species, but we need to find a better balance, as geologists warn that it behaves like a rapidly evolving parasite upon our entire planet due to its growing rates of change (measured in decades, not eons). Unlike the natural spheres, with self-regulating systems and balanced interactions developed in an evolutionary process over millions of years, the technosphere is not just imbalanced. It throws off the healthy harmony of Earth's natural systems. To mention just a disruption in the biosphere, a 2014 analysis done by the *Nature* journal indicates that a staggering 41% of all amphibians on the planet now face extinction, while 26% of mammal species and 13% of birds are similarly threatened due to habitat loss and degradation, as well as activities such as hunting (e.g. one "top" producer is using the skins of endangered species to make its hundreds of thousands dollar "worth" handbags).

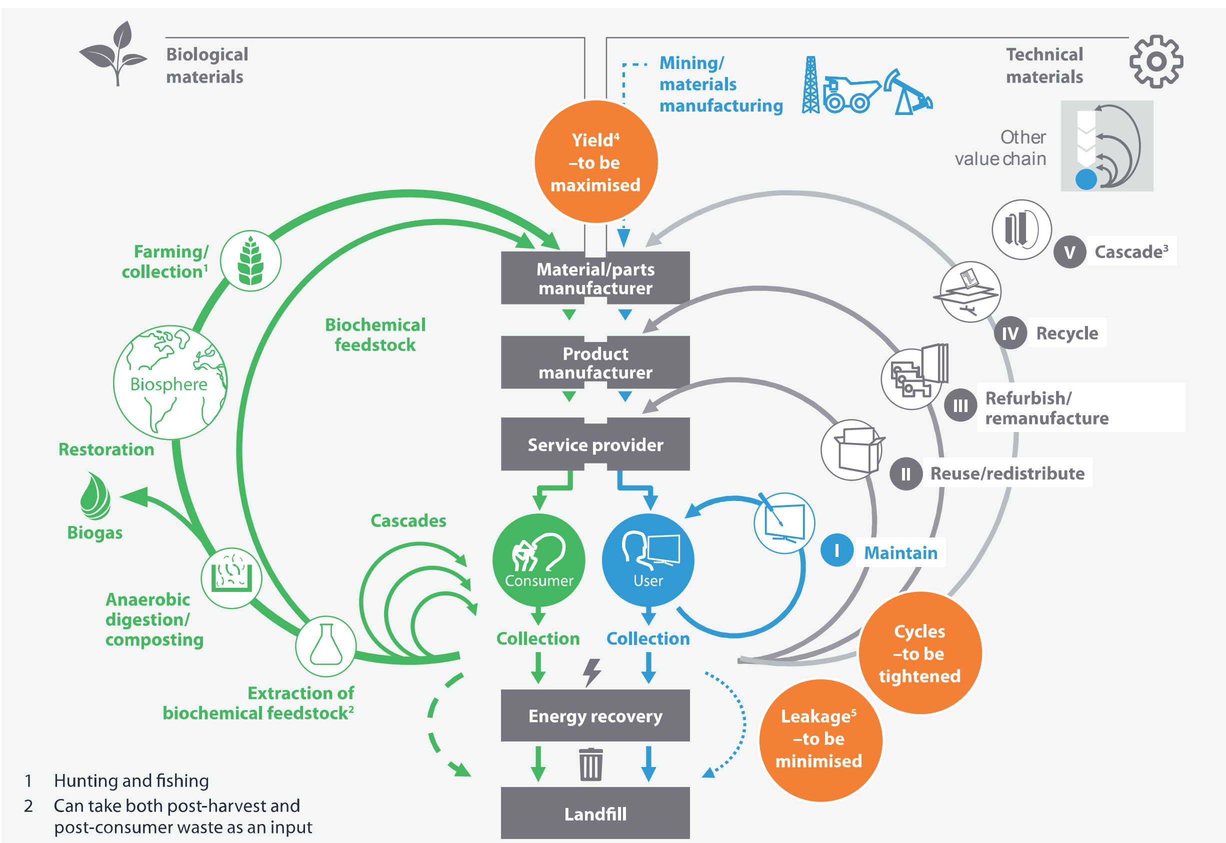
The new consumerism

A growing number of people started to say "no!" to these practices, fuelling anew the human rights movement, coupled with the fight for the preservation and wellbeing of animals and the entire environment. These key trends are impacting the global consumption landscape, called the new consumerism, a term coined by Euromonitor International.

This remodelling, in its ambitions nothing short of becoming a new Copernican revolution, builds upon a consumer's demand for frugality, sustainability, authenticity, transparency, simplicity, freedom, and wellbeing.

The new consumerism might as well be called a critique of consumerism, and refers to the emerging ethical economy, as customers reassess their priorities, opting in for conscious consumption. The rejection of blind consumerism is taking place principally at an individual level, meaning that a person considers the green credentials and ethical footprints of the products and services they purchase to be the decisive factors standing behind their choices. The modern consumer's knowledge of working conditions means they respond to transparent business practices, forcing industries to change the way they operate in order for them to prosper or even survive. Governments have a crucial role by

Fig. 1. The circular economy provides three ways of adding and maintaining value



1 Hunting and fishing
2 Can take both post-harvest and post-consumer waste as an input
3 Refurbish/remanufacture and recycle materials and parts in other value chains
4 Clean production scrap is typically recycled on-site or in a closed cycle at the supplier and not all of it is captured in waste statistics. Action has already been taken by the company; hence, this is out of scope
5 While CE principles apply to other waste fractions such as emissions to air and water, the scope of this project is solid waste

Two primary pathways for circular economy in the focus of this work

- Minimising leakage to recover as much of the intrinsic value of raw materials as possible
- Tighter circular economy loops for improved value-add recovery

Source: Ellen MacArthur Foundation CE team enabling the smooth transition into the emerging ethical economy. The above factors are of a great importance to all phases and parts involved in the supply chain, ranging from the ingredients to packaging companies and retailers in addition to the consumer brands.

The ethical economy, a way to boost both business-to-business as well as peer-to-peer interactions, has several pillars, including the green economy, the circular economy, the sharing economy, the subscription economy, and the fair economy (Tab. 1). Experience is put forward in ethical economy, as the prioritization of doing, seeing, and feeling is priced more over having more "stuff", with many consumers searching for unique, often personalized experiences. As more people become accustomed to the idea of sharing goods, the desire to actually own items may dampen demand for luxury trend-led products.

Time is a luxury today, and buying it (e.g. outsourcing tasks) has become an increasingly tempting option for today's consumers who see it as a crucial commodity. Moreover, faced with endless choices, the consumers will choose products and services that help them save it. According to Euromonitor International, the financial crisis along with technological development were an important catalyst for expansion of trading places as a means for consumers to became smarter shoppers. The consulting firm points also to a different phenomenon that occurs within new consumerism, namely a trend for smaller living spaces (whether through choice or circumstance), called space for life, driven by i.a. the increase in single-person households and urbanization (read more in BTJ 5/16's *City of the future. Shaping Earth's future through urbanization*). Increased efficiency stands behind yet another tendency – frugal innovation, which signifies elimination of non-essential and often costly features from a product or service. At its heart, frugal innovation is about focusing on customers' core needs, so as to design products and services, as well as business models that meet these expectations.

Sizzling hot and circular

Three billion tonnes of waste are generated every year in the European Union alone. Only a small share is reused, recycled, or traded as secondary raw materials (in Tokyo, on the contrary, almost all recyclable materials are recovered, and this is done on the spot, not in African wastelands covered with "outdated" smartphones). The rest, including valuable and usable commodities, goes to a landfill or gets incinerated.

In terms of value creation, however, raw material flows and waste do not represent the greatest potential of the so-called circular economy. Far more valuable than these are practices such as the maintenance, reuse, and remanufacturing of equipment. To enable sustainable resource circulation, all materials should be recycled, but this is only worth doing at the point where no other value recovery processes are economically viable. The starting point should be value and waste prevention of the highest possible efficiency. To truly flourish, the circular economy needs to be part of a bigger effort to tackle economic growth, wasteful consumerism, and undemocratic power structures in the global economy.

Last year, Finland adopted a national circular economy roadmap, setting on the ambition to be a forerunner in the bio- and circular economies by 2025. An assessment of the circular economy potential for Finland, conducted by the Finnish Innovation Fund Sitra together with McKinsey & Company at the end of 2014, value it at around EUR 1.5-2.5 billion. Since then the circular economy has become a major theme, selected by the Finnish Government as one of the country's spearhead projects, including the set-up of a EUR 40 million investment fund for unrolling the concept. The associated actions are mainly targeted at further improvement of the good ecological status of the Baltic Sea, reduction of nutrient load in waterways, enhancing the nutrient and energy self-sufficiency of the agriculture sector, the growth of circular economy businesses, and the creation of new jobs in general.

At the start of 2017, Sweden introduced new tax breaks – a cut in sales tax for repairs on small objects, and a tax refund for appliance repair costs. Under changes to tax, reduced VAT (from 25% to 12%) on the repairs of bicycles, shoes, leather goods, clothes, and household linen accompanies a measure to allow consumers to claim back half of the labour costs

Photos: www.pexels.com

for the repair and maintenance of white goods, like fridges and washing machines, from their income tax.

As reported by the *Innovators* magazine, at the moment two voluntary schemes, targeted at encouraging consumers and businesses in Europe to support circular economy practices, are to be made more robust at the EU level. The European Union's Ecolabel (EU Ecolabel), launched 25 years ago, is assigned to products to give consumers confidence they meet the highest environmental standards. The EU Eco-Management and Audit Scheme (EMAS) is a "management instrument" which companies and other bodies can use to gauge and improve their environmental credentials. It was agreed by the European Commission in June this year that a strategy would be implemented to better promote both of them across Member States.

Skipping the end of the world

The transformation towards ethical economy and new consumerism is facilitated by a sense of clear purpose. Consumers ask themselves questions like: what kind of city/village we want to live in?; what kind of people we want to be?; in what way are we interrelated?; what can we do to wilderness preservation?; do we really not care about chemicals in our bodies?; what style of daily life we desire?; what kind of future we want to forge for next generations?; etc. Businesses, on their part, should carefully listen to the answers, as this train of thought has the potential to leave no sector unaffected, having the power to transform even the most established markets. ■