

Workshop on Sustainable Consumption for Latin America & Caribbean



Meeting report

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TABLE OF CONTENTS

1. Introduction	3
2. Executive Summary	3
3. Opening Remarks	5
4. First Plenary Session	9
5. Towards Sustainable Consumption : Background Paper	9
6. Perspective of Stakeholders on Sustainable Consumption and Production in LAC	16
7. Key Findings of the First Day of Workshop	27
8. Key Note Speech	28
9. Business Opportunities	29
10. Communication Strategies	32
11. Education, Training and Networking Strategies	34
12. Defining Strategies to foster Sustainable Consumption	35
13. Conclusion: Action Plan	36
14. General Remarks	39

ANNEXES

1. Meeting Agenda	40
2. List of Participants	44
3. Background Paper	54
4. About UNEP DTIE	83

1. Introduction

The workshop was an initiative of the United Nations Environment Programme (UNEP), through its Regional Office for Latin America & the Caribbean (ROLAC, based in Mexico) and the Division of Technology, Industry and Economics, Production and Consumption Branch (DTIE, based in Paris), with the support of Carl Duisberg Brasil, part of the Carl Duisberg Gesellschaft group. This event was also made possible thanks to the support of the Brazilian Environmental Ministry, the São Paulo State Secretariat, the São Paulo State Environmental Agency (CETESB) and UNESCO Brazil. The workshop lasted two days and took place in the city of São Paulo, on the São Paulo State Environmental Secretariat's premises and had approximately 80 participants among professionals from academia, government, non-governmental organizations, the business sector, and media from 11 different countries from the Latin America and the Caribbean region, namely Brazil, Mexico, Chile, Peru, Ecuador, Jamaica, Argentina, Uruguay, Bolivia, Costa Rica and Colombia.

The main objective of the workshop was to promote discussions, gather information and establish a working plan on sustainable consumption issues for the region. The main findings of the meeting will be compiled together with other contributions from other parts of the world to integrate a global status report on the issue of sustainable consumption to be presented at the World Summit on Sustainable Development to take place in Johannesburg in 2002.

2. Executive Summary

The workshop “**Towards Sustainable Consumption in Latin America and Caribbean**” is part of UNEP's Regional Initiative on Sustainable Consumption. Its results will be included in the global status report that will be presented in September 2002 at the Johannesburg World Summit for Sustainable Development. The meeting was a UNEP initiative, organized by Carl Duisberg office in Brazil, and supported by the Brazilian and the Sao Paulo state governments, as well as by UNESCO Brazil.

The participants developed a Latin-American vision on the concept of Sustainable Consumption, which in their view should mean "responsible consumption". When addressing sustainable consumption in Latin America and the Caribbean, the interface between social and environmental problems must necessarily be recognized. Poverty eradication and good governance were among the priorities mentioned. "Not growth, but redistribution of income, is the main priority", according to the Governor of the State of Amapa in Brazil, Mr. Joao Alberto Capiberibe. He also stressed: "Building a sustainable society depends on political options and decisions that concern not only environmental issues, but mainly, production and consumption models".

As pointed out by Mr. Diego Masera, Regional Industry Programme Co-ordinator of the UNEP Regional Office for Latin America and Caribbean: *"It is paradoxical that a region that has abundant resources, and is consuming its resources rapidly, is still unable to*

provide a decent living standard for the majority of its inhabitants”.

The participants also emphasized the need to promote and enforce the principles and actions established by Agenda 21 and other international treaties regarding sustainable production and consumption patterns, as well as sustainable development. One major concern that became obvious among all the stakeholders and discussion session participants was the need to establish economic incentives, policies, laws and the necessary institutional framework, in all countries within the region. Another requirement was the need for genuine political commitment by governmental and non-governmental agencies, proceeding towards the common goal of developing sustainable consumption and production, which are considered by all, as important means of promoting sustainable development in the region.

The business community in Latin America and the Caribbean could, as was concluded, benefit from more attention to local knowledge and values and also from more knowledge about eco-design, a fundamental tool to link the technical world of cleaner production with society. As stated by Mr. Diego Masera: “In Latin America, the introduction of sustainable product development will enhance production, income, job generation and will promote environmental protection. Clean development is fundamental to guarantee future markets for the region’s products”. UNEP and the various National Cleaner Production Centres should play a central role in the promotion of those tools.

Mr. Fernando Almeida, Executive President of the Brazilian Business Council for Sustainable Development (CEBDS), advised: “*Unsustainable practices will cause the collapse of many companies if they do not respond to today’s increasingly demanding consumers. It is imperative that enterprises engage in sustainable production practices, invest in innovation and eco-efficiency, and face the challenge of sustainability, converting this challenge into business opportunities*”.

For Mr. Eduardo Ehlers, Vice-Director of SENAC Environmental Education Faculty (Brazil), one opportunity of sustainable production is the promotion of sustainable agriculture. And one of the challenges to achieve this was seen as the need to change the development focus, from land extensive and chemical intensive, to family and organic intensive production systems. Not only with environmental benefits, but also with the social benefit promoted by creation of jobs: “*In Brazil there are 4 million people working in family production systems, and only 500 thousand working in large agribusiness enterprises*”.

As sustainable production and sustainable consumption are two sides of the same coin, the collective power of consumer buying decisions can be a major force for change in market economies. This implies that information on social and environmental aspects of product and service life cycles should be made available. Not only is information necessary, but also the direct involvement of the communication sector (advertising and media companies) was seen as fundamental to promote sustainable life styles. This view implied that consumer awareness has to be sufficiently modified so as to effect the necessary changes in behavior.

Young people, women, academia, government agents, environmentalists, consumer organisations, journalists and different media professionals were identified among the major stakeholders and actors required to raise awareness about the need to change the current development paradigm into a more sustainable one and in acting towards that end.

Inspired by an emotional video-show demonstrating how advertising can also promote immaterial "human values" (such as friendship as opposed to anger and greed), which was presented by Mrs. Christina Carvalho Pinto (from the award winning Full Jazz Advertising Agency), many ideas for media campaigns were developed. MTV Brazil promised to explore the potential for ultra brief SC clips, delivering the message in not more than 10 seconds. Mr. Stefan Larenas, Consumers International (CI), based in Chile, presented CI's global survey of "how well governments have implemented the UN Guidelines for Consumer Protection", a joint project with UNEP. He was furthermore very successful in promoting a network to "keep the spirit alive" with other members of the group, and as a result saw the electronic list "2001sc-net" (for LAC members only) being launched within not more than one week after the meeting, with the support of Patricia Almeida Ashley, Rachel Biderman, Lisa Gunn, and Marcelo Sodr  from Brazil.

Among other participants' suggestions:

- a United Nations Prize on Sustainable Consumption that should be granted in a Festival organized for such purpose;
- discussion among journalists and media professionals and students; the promotion of specific training for media professionals;
- the creation of the "Sustainable Consumption Day" at the international, regional and local levels, to foster campaigns, media coverage, education initiatives;
- the setting up of regional indicators on sustainable consumption and production to evaluate the impact of current programs and projects.

3. Opening Remarks

The workshop was opened by the Secretary of Policies for Sustainable Development of the Brazilian Ministry for the Environment, Mr. Sergio Braga, as well as by the S o Paulo State Environmental Secretary, Mr. Ricardo Tripoli, the President of the S o Paulo Environmental Agency (CETESB), Mr. Drausio Barreto, and the organizers of the event, Mr. Bas de Leeuw, Co-ordinator of the Sustainable Consumption Program at UNEP DTIE, Mr. Diego Masera, of UNEP – ROLAC, and Mr. Newton Pereira of Carl Duisberg Brasil.

The Brazilian authorities present at the session stressed the importance of the meeting and strongly complimented UNEP on the initiative, which they considered a fundamental step towards the implementation of Agenda 21.

Mr. Drausio Barreto, President of CETESB (S o Paulo State Pollution Control Agency), opened his remarks stressing the importance of the agreement recently reached in Marrakech, in the Seventh Conference of the Parties of the United Nations Framework Convention on Climate Change, which he thinks is an important step towards establishing a

framework for sustainable consumption worldwide. In his opinion the Division of Technology, Industry and Economics of UNEP, responsible for the issue of sustainable consumption, should gain more importance within the United Nations system, given that the issues it deals with are of utmost importance. Given the stabilization of the Brazilian economy and the increasing purchasing power of Brazilian consumers, he stressed that policies towards sustainable consumption are extremely necessary. Also, according to Mr. Barreto, environmental education and the promotion of global citizenship are the basis for achieving sustainable development, and consequently, sustainable production and consumption patterns. He stressed the role of CETESB as a pollution control agency in the past 25 years as an important agent in shaping the path of sustainable production patterns.

Mr. Newton Pereira, Executive Manager of Carl Duisberg Brasil, thanked the presence of all participants. He described the effort of the United Nations in the field of technical cooperation, which began 50 years ago, and particularly described the initiatives of the German government since 1961 in promoting international technical and economic cooperation, which in 1999 was responsible for investments of circa 5 billion dollars in various cooperation projects worldwide, in over 70 countries. Among different cooperation institutions in Germany, in the field of human resources training, is Carl Duisberg Gesellschaft (CDG). CDG is an international institution, founded in 1949 in Cologne, Germany, with the objective to promote interchange and training of human resources at the international level. It is financed by private enterprise and federal ministries from Germany, has 16 offices worldwide with over 600 staff members, and manages a budget of over 100 million dollars. Three years ago CDG founded CDG Brasil to promote training programs for small and medium enterprises in the field of environment.

Mr. Diego Masera, Regional Co-ordinator of Technology, Industry and Economics of the Regional Office of UNEP for Latin America and the Caribbean, represented Mr. Ricardo Sanchez, Regional Director of UNEP. Mr. Masera, after thanking all the institutions involved in making the workshop possible, started the presentation on sustainable consumption by stating that, although the concept of sustainable consumption has been on the international agenda for more than a decade, very little has been achieved in the Latin America and the Caribbean region. According to Mr. Masera, "Sustainable Consumption" is a central element to achieve sustainable development. He emphasized the need for the region to design and determine its own future. He finally stated that to achieve sustainable consumption patterns, governments, NGOs, industries and consumers all together need to assume their own responsibilities. He also stressed the important catalyzing role the youth and advertising agencies could play. The new challenge, he said, is to work towards an improved quality of life for all and build a consumption model that goes beyond the material economic accumulation of the few.

Mr. Bas de Leeuw, Co-ordinator of UNEP's Sustainable Consumption Programme (based in Paris within the Division of Technology, Industry and Economics) and facilitator of the workshop, started his opening speech by welcoming guests and speakers and thanking the institutional support for the meeting on behalf of UNEP. He stressed the importance of Brazil for the UN, for UNEP, and for the promotion of "sustainability". He acknowledged the importance of the meeting in Rio in 1992 (UNCED) and stated that in 2002 the world will be analyzing what has been done with the words and promises that governments had

made in Rio de Janeiro. He stressed that the present workshop on sustainable consumption will be an important contribution to that process. As an input to the meeting in Johannesburg (Rio + 10), a Global Status Report will be produced on the status of changing consumption and production patterns in the world, and the results of this meeting will be included in the text. The purpose of this meeting is to show what has been done in the Caribbean and Latin American region on this subject and what the future plans are to promote sustainable consumption. He informed that UNEP has promoted discussions on this subject in other parts of the world, including Europe, North America, Africa, Asia, and further discussions are scheduled for Australia. In the current meeting in São Paulo, as in others around the world, UNEP has made efforts, jointly with local partners, to bring together all major parties involved in a multi-stakeholder dialogue to produce an Action Plan on Sustainable Consumption for the Latin American and Caribbean Region.

Mr. Sergio Braga gave special emphasis to the efforts of the Brazilian Ministry for the Environment in conducting a program on sustainable development in partnership with NGOs in the country, which started in a joint initiative with the Institute for Consumers Defense (IDEC – Instituto de Defesa do Consumidor). He stressed that the issue of sustainable consumption has not entered the Brazilian national environmental agenda. It is still a side question. The reason for this, he argues, is that consumers are not aware of this issue and do not create enough pressure. The business sector is slowly starting to engage in eco-labeling initiatives, on the other hand, but does not support a mandatory system. He also discussed the need for the establishment of eco-labeling rules in all the countries as a way to promote sustainable consumption and the need to engage consumer organizations in the process. He described the efforts of the Brazilian Environmental Ministry in establishing a discussion in Brazil on eco-labeling rules and practices in partnership with industry federations. The Ministry is promoting meetings and workshops in the country to show the business sector the advantages of engaging in environmentally sustainable practices and, particularly, adopting eco-labeling as a way to promote business. However, complex issues, such as cultural differences, the size of the country and imbalances in consumer power make this effort difficult. He strongly supports the adoption of eco-labeling as a means to promote sustainable consumption, since the consumer has to be informed of the advantages and consequences of his consumption habits. Also, the question of cost is important. Products that are produced in a more sustainable manner do not necessarily need to be more expensive. This has to be considered, otherwise sustainable consumption will not be feasible.

Mr. Ricardo Tripoli, State Secretary for the Environment of São Paulo, started his speech thanking the efforts of all present and the support of the sponsoring institutions, explaining that he was representing the governor of São Paulo, Mr. Geraldo Alckmin, who could not participate in the workshop due to a meeting in Washington D.C. the same day. His first remarks referred to the difficulties in discussing environmental issues in the 1970's in Brazil, when there was strong antagonism between environmentalists and the business sector. Now, however, he believes we are over that stage, and all sectors are starting to assimilate the need to promote sustainable development. He stated that due to the strong negative pressure of population increase worldwide, natural resources are diminishing or being contaminated, and we should change the current trend of consumerism in the world. The Secretary believes that currently there is room for a multi-stakeholder dialogue, and

partnerships are essential for the promotion of sustainable development. Furthermore, he stressed the importance of international institutions such as UNEP and UNESCO in gaining greater political weight in the international sphere, becoming as important for the international agenda as the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), since they are also responsible for the sustainability of life on earth. He gave an example of how sustainable consumption and production can be achieved by explaining initiatives in the State of São Paulo in the agribusiness sector. He stated that consumers could be a driving force in the promotion of sustainable development by demanding cleaner and more sustainable production. It is imperative, he said, that globalization occurs, taking into consideration social and environmental issues through a positive agenda.

The governor of the State of Amapá, Brazil, Mr. Joao Alberto Capiberibe also sat at the opening table, and gave a short speech on the initiatives by his government to promote sustainable and ethical production practices that take into consideration the local cultures and needs of the population, giving the example of the Amazonian state which he currently governs (Amapá). In his opening remarks, he emphasized that building a sustainable society depends on political options and decisions that concern not only environmental issues, but mainly, production and consumption models. He believes that politics and policies are necessary tools to establish a common background for society to conduct sustainable programs and projects. It is no longer acceptable to believe that the market will resolve by itself the complex issues that we face today. Amapá is located on the left bank of the Amazon River, and is located at and near the Equator. In his words, in Amapá “one has the eyes set on the riches of the North and the heart concerned with the poor in the South”. He described his government’s programs and projects conducted over the past 7 years (he was re-elected for a second term as governor), based on the implementation of Agenda 21, and on the sustainable use of the rich biodiversity ecosystems in the region. He shut the door to unsustainable mining, agriculture and logging practices that used to spoil the region. He invested considerable resources in education and decentralizing the use of public resources. He believes the state of Amapá must be on the right track, promoting the rational use of its resources and the knowledge of its peoples. As a result, the programs of that state have won or have been nominated for international and national prizes such as the Dubai 2000, Habitat 2001 and the Fundacao Getulio Vargas Award.

4. First Plenary Discussion

As a means of introducing all stakeholders in the audience, Mr. Bas de Leew, facilitator of the workshop, proposed an exercise, in which the audience was divided in small groups, given a certain amount of time to learn about each other. Later, some people in the audience were invited to introduce their partners from their small groups. The introduction game facilitated by Mr. Bas de Leew allowed all the people in the audience to quickly learn about the backgrounds of their partners and about the stakeholders present. This was particularly important, because it got the participants connected quickly, which was the main reason for the success of the workshop. After the introduction of the participants the first speakers presented their lectures. At the end of the introduction exercise, Mr. Bas de Leew presented the plans for the 2-day workshop. According to the facilitator, the

workshop was programmed to have 4 sessions. The first two sessions were designed to present introductory notes on the theme of Sustainable Consumption. All pertinent stakeholders should present their views on the concept. Mr. Diego Masera was also invited to present a background paper he had specially written for the workshop. The last two sessions were planned to hold strategic discussions, aiming at building an Action Plan.

5. Towards Sustainable Consumption : Background Paper

Diego Masera, Background Paper: Towards Sustainable Consumption in Latin America and the Caribbean

Mr. Masera presented the general ideas contained in the background paper that he drafted and distributed it to the audience. In his words, the text tries to give an overview of the Sustainable Consumption in Latin America and the Caribbean, a very diverse region where there are very poor countries and relatively rich countries, relatively industrialized countries and countries with very low-level of industrial development. The paper was based on a report prepared for the Kuala Lumpur Workshop organized by UNEP earlier in August 2001. The report is structured in three main parts: a) What Sustainable Consumption means? b) What are the consumption patterns in the region? c) What should we do? What are the possibilities for the future? Then, brief conclusions.

When we talk about sustainable consumption we are talking about ways of life, we are thinking about production, we are thinking about consumption, we are talking about social, economic, environmental issues. The idea of sustainable consumption is engraved in International treaties such as the Rio Declaration (Principle 8) and in the Agenda 21, which has a whole chapter on the issue (Chapter 4). The United Nations Commission on Sustainable Development has established a definition of what sustainable consumption should be: *“the use of goods and services that respond to basic needs and brings 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 generations”*.

Among the issues one has to consider when addressing sustainable consumption are: overpopulation, equity in consumption, globalization, consumption patterns, all issues addressed in detail in the paper.

Overpopulation and consumption per capita are one of the key issues to be considered when addressing sustainable consumption. The level of consumption is not dependent on total population only. More significant to the impact of consumption is the intensity of resource utilization.

Inequalities should also be considered. An integral part of the concept of sustainability are the concepts of inter-generational and intra-generational equity, The first concept that calls upon us to view the earth and its resources not only as an investment opportunity but as a trust, passed to us by our ancestors, to be enjoyed and passed on to our descendants for their use. The second refers to inequalities within different segments of the same

generation, where the poorest segments suffer in greater measure the impacts and consequences of environmental degradation and are more vulnerable to disasters. Another aspect of equity is meeting the consumption needs of the current poor – feeding, clothing, housing, educating, and healing the ill among the poverty stricken of the world. It is difficult to talk about consumption that is sustainable, when the basic and primary current consumption needs of society are not yet met.

Some economic and social statistics from the LAC (Latin American and Caribbean) region in 2001 are important to be considered when one tries to establish a plan for sustainable consumption in the region. The LAC region is especially significant for any discussion of sustainable consumption. LAC counts with the largest arable reserves of land in the world and important sources of fresh water. However, in LAC 240 million people are living below the poverty line and the top 20% of the population has incomes 19 times higher than the bottom 20% of the population, making LAC among the most inequitable regions in the world. The average annual economic growth in the region is 3.2% annually, when it should reach 6%. Poverty is still increasing. 20% of the population in the region live with less than 1 dollar per day, whereas the top 20% earn more than 19 times what the lower 20% earn. It is considered the most inequitable region in the world. There is increasing unemployment, salaries are very low, and circa 500,000 people left the region. The external debt has increased. It is paradoxical that a region that has abundant resources and is consuming its resources rapidly is still unable to provide a decent living for the majority of its inhabitants.

More Statistics on Inequalities in Consumption Worldwide (numbers from UNDP 1998 - 1999) were presented by Mr. Masera:

- Nearly 1.3 billion people live on less than 1 US dollar a day and close to 1 billion cannot meet their basic consumption requirements. In LAC 240 million people are living below the poverty line. The share in global income of the richest fifth of the world's people is 74 times that of the poorest fifth.
- About 840 million people are undernourished. The overall consumption of the richest fifth of the world's population is 16 times that of the poorest fifth;
- Nearly 160 million children are undernourished. More than 250 million children are working as child laborers;
- More than 880 million people lack access to health services and about 17 million die each year from such curable infectious and parasitic diseases as diarrhea, measles, malaria and tuberculosis.
- Of the 4.4 billion people in developing countries, nearly 1.5 billion lack access to sanitation and clean water, 1 billion do not have adequate housing, and 2.6 billion lack access to basic sanitation.
- In 1997, more than 850 million adults were illiterate. More than 260 million children are out of school at the primary and secondary level.
- 2 billion people lack access to commercial energy such as electricity.

In the context described previously, it is important to address the phenomenon of globalization. The term globalization relates to the opening up and liberalization of the economy to market forces. The degree to which external liberalization and reliance on the

marketplace are to occur are matters of choice that individuals, firms, governments and NGOs make. There is no agreement as to the effects of liberalization and opening up the economy and they are certainly not uniform for all places and times. For the LAC region a critical challenge for the near future will be to 'domesticate' the globalization process, to model and steer the process for the benefit of the majority of the population, for example by reducing its dependency on high pollutant and natural-resource-intensive industries.

Sustainable development will require a substantial increase in efficiency of resource and energy use and a reduction in pollution and other environmental damage. Present consumption levels are causing serious environmental problems as was highlighted in Chapter 4 of Agenda 21. The Rio +5 conference in New York in 1997 reinforced the need to develop more sustainable patterns of consumption and production. One of the outputs was an initiative on eco-efficiency with a target of achieving a factor 10 level of efficiency improvement in the long term with a factor 4 increase among industrialized countries in 20-30 years starting from 1997. The new goal is to create more wealth while consuming considerably fewer resources. An important obstacle to achieving the proposed factors of efficiency relates to the fact that the existing economic system does not take into account the wider environmental, ethical and social factors of both consumption and production. There is therefore a need for a more holistic and inclusive costing mechanism.

Tools and Agents for Change

Cultural Leverage: The key tools towards implementing sustainable consumption patterns will be cultural leverage - sustainability values that are appealing to people who will apply them to increase their own quality of life.

Economic and Social Development: Sustainable consumption provides opportunities for economic and social development in developing countries, thus provides an important framework for change. There is a need for business and governments in developing countries to develop tools and strategies to enforce sustainable consumption and production patterns based on their own terms.

Information: Information plays a central role in changing consumption patterns, indeed, the rapid growth in access to information and communications tools to consumers in the LAC has revolutionized access to consumer goods and services. Products and services from all corners of the globe are being increasingly promoted and influence consumption patterns of millions of consumers in the developing countries of the LAC. The media and corporate marketing are the drivers of a globalization of desire and thus have an important role to play in changing the current unsustainable consumption patterns.

Youth: Young people are not only actors on the market but are also students or young professionals and are future decision-makers in the private or public sector. Youth should be involved in international meetings about sustainable production and consumption. This allows youth to express themselves on key sustainable development issues and gain visibility as stakeholders in the international debate.

The Task Ahead

Narrowing the consumption gap between the rich and poor is obviously a key international priority. There is also a growing consensus that developing countries need not follow the path taken by the developed countries. There is a real opportunity for the developing world to leapfrog to growth patterns that are good for the environment and for the reduction of poverty. The global economy over the next 50 years will need to respond to the challenges of both the inner limit of sustainability (inequality) and the outer limit of sustainability (environmental stress). It will need to adjust to a different pattern of consumption to enhance human development in the poorer countries and improved income distribution in all countries, but most important, it needs to look for a better quality of life for ALL.

Obligations of stakeholders

All stakeholders must do their part towards establishing sustainable consumption patterns. Here are some examples of how different participants in the process can contribute in this task.

Governments can contribute by:

- minimizing resource utilization: for example by greater efficiency in the use of energy and resources, by minimizing waste generation, and by sound pricing;
- exercising leadership: for example, by ensuring sustainable government procurement policies, by enforcing regulations, and economic and social instruments, and by sector policies in such areas as land use, transport, energy and housing;
- reinforcing values: for example, by education and information programs for consumers on such matters as the environmental impacts of consumer choices and behavior, efficient use of materials, energy and water, and recycling.

Industry can contribute (based on a study by the World Business Council for Sustainable Development) by:

- developing technological and social innovations to improve the quality of life and tackle the problem of depletion of resources;
- practicing eco-efficiency to create more value with less impact, growing qualitatively, not quantitatively;
- building alliances and moving towards partnerships for progress based on common goals, empathy, open feedback, flexibility, ability to compromise, and sharing rewards;
- providing and informing consumer choice;
- improving market conditions - sustainability is hindered by monopolies, corruption, perverse subsidies and prices that do not reflect real economic, social and environmental costs;
- establishing the worth of the Earth - the market system needs accurate and timely price signals so that resources are not wasted and future opportunities squandered;

- making the market work for everyone - companies must create more opportunities for the poorest. Making the market work for everyone involves two basic measures: enabling access to effective markets and spreading consumer purchasing power.

Obligations of consumers

The collective power of consumer buying decisions can be a major force for change in market economies. Consumer awareness has to be sufficiently modified such as to effect changes in behavior. Consumer groups have to make a greater commitment to the sustainable consumption drive. The message is not necessarily to consume less but to consume better.

Public acclamation of concern for the environment does not necessarily translate significantly into sustained changes in consumer behavior. Consumers may be willing to take easy steps that benefit the environment; but may not make significant changes in buying habits, pay markedly higher costs, or make changes in basic lifestyles. Yet sustainable consumption calls for such effective approaches. Consumer awareness has to be sufficiently modified so as to effect changes in behavior. This is the ultimate challenge for the consumer movement. Consumers must be convinced that when they vote with their pocket they are in fact exercising a social, moral and political responsibility that goes beyond their own parochial interests and their present generation.

A commitment to sustainable consumption will mean that consumer organizations of the South, that is developing countries, have to move away from merely providing comparative information on goods and services, to educating consumers about the impact of their choices on their environment in the long term and on future generations.

Aside from the responsibility of conscious consumption, consumers and consumer organizations must insist on the fair distribution of the costs of the changes that inevitably must occur down the road to a sustainable society. Not all costs need to be passed on to the consumer. A balance needs to be struck between the need to change consumer behavior and behavior changes based on price and the 'polluter-pays' principle—a balance must be reached which will prompt innovation and efficiency in the search for less damaging technologies.

New paradigms

A critical factor to attain sustainable consumption is a suitable and acceptable replacement for the current consumption model that should bring improved quality of life to the majority, if not all, the population. The new model should allow, for example, for greater time for family and community life, more involvement in cultural practice and development, and more time for religious and spiritual observance. Several authors have proposed different models or paradigms to change the current patterns of consumption and production and move towards a more sustainable future.

Conclusions

Although sustainable consumption has been on the international agenda for more than a decade, the current state of the environment and the characteristics of the industrial sector in LAC shows very little improvement in relation to ten years ago. This was made clear in the report prepared by UNEP, CONIECO (The Mexican Council of Industrial environmentalists) and UNIDO, Environmental Performance of the Industrial Sector in LAC ten years after the Rio agreement', that was presented at the regional industry consultation workshop held in Rio in October 2001. The industrial sector in LAC is based on natural resource intensive industries, low added products and pollutant sectors. Furthermore, there is a polarization of the industrial sector where more than 80% of the total exports of some countries in the region are made by a limited number of large industries while 85% of the industrial employment is provided by micro-small and medium enterprises (mSME's).

So far, limited progress can be reported in terms of promotion and introduction of sustainable consumption patterns; nevertheless selected groups and association of both industrialists and consumers are increasingly getting involved and promoting sustainable consumption within their respective countries and more and more the social and environmental concerns are being reflected in industrial reports and voluntary initiatives undertaken by the industrial sector and civil society.

The LAC region needs to encourage, promote and incorporate sustainable consumption in its policies and development plans, a starting point would be to 'domesticate' the globalization process by making a sustainable use of its regional natural and human resources and enhance the value of its comparative advantages in the international market.

As sustainable consumption and sustainable production are two sides of the same coin, if sustainable consumption is to be achieved, mSME's need to be actively involved and methodologies such as sustainable product development (SPD) and cleaner production need to be widely disseminated.

International and bi-lateral cooperation programs as well as national initiatives will be essential to disseminate information on sustainable consumption and promote models based on improving the quality of life of the majority.

Finally, it has become clear throughout the paper that sustainable consumption is a common and shared responsibility of governments, civil society and industry, which need to work together to promote new approaches and look towards a sustainable future in the region.

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➤ **Open Discussion with Audience about Mr. Masera's paper**

Some questions and comments were made by the audience on Mr. Masera's paper "Towards Sustainable Development" which can be summarized as follows:

Comment 1: In 1989, UNEP launched in Paris a program on Cleaner Production, by the office which was called "Industry and the Environment" at the time. This office collected

and processed data on clean technologies for the first international meeting on industry and environmental management that took place in Versailles in 1984. One could verify at that point that the industrial sector had realized that it was better to use cleaner technology than to clean up at the end of the pipe. At that point a cleaner production center was created in Brazil, in the state of Rio Grande do Sul, with the support of UNEP and UNIDO, which was the first one in the country.

Comment 2: Regarding the decline of use of materials (dematerialization), despite the growing global economy, would it be possible to reduce the use of materials in all industrial sectors? What about the sector of household furnishings? What is the role of designers in optimizing the use of materials?

Mr. Masera's response: All types of business and production sectors can optimize the use of resources and promote cleaner production practices. In Mexico there are interesting examples in the field of furniture design. Designers play a very important role in optimizing the use of raw material, trying to use less material, to produce the same products, or reuse wastes, creating new objects.

Comment 3: There are some important issues raised by Mr. Masera in his paper, issues that were not sufficiently stressed in his conclusions. First is the fact that in Latin America environmental and social issues are extremely inter-related. So, in my opinion, it is impossible to address sustainability in the region without addressing social and environmental factors jointly. This is a challenge in many senses, since the two movements do not work closely together. While this lack of communication persists, the problems will not be solved. This is true in all sectors that deal with environmental and social questions, be it government, NGOs, or the private sector. Another issue that is fundamental is the right to access to information. The lack of access to information makes it difficult for the society as a whole to promote citizens' rights. Addressing the challenge of making information broadly available is essential to promoting sustainability. This should count as a fundamental element of policy in our final plan. A last remark on the issue of globalization. I do not like the idea of "domesticating globalization". I'd rather use the term "humanizing globalization", which means creating effective tools to guarantee a sustainable globalization. The negotiation of the Free Trade Agreement of the Americas is an opportunity to put this to a test.

Comment 4: An important question raised in Mr. Masera's paper concerning the issue of coordination of policies stresses that all stakeholders work together in a joint effort. For example, if tax laws were favorable, the business sector would invest more in cleaner technologies. But the tax burden is so high in Brazilian enterprises, for instance, that nothing is left for new investments. The tax systems should be organized as to benefit those enterprises that want to engage in sustainable development practices. On the other hand, consumers are still very ignorant. They do not know anything about the history of the production of the goods they are buying. This type of information is also not available. It is crucial that information technologies be used to promote better access to information for consumers. Any effort towards sustainable consumption, in my opinion, should adopt a multi-stakeholder approach.

Comment 5: An example of how local markets are dominated by international mainstream approaches: The Brazilian government obtained a loan to furnish public schools. In my state we received 1,5 million dollars for that purpose. But when the contract was signed, the type of materials, design and products were pre-defined. So, we could not buy local products. My government was bound by an international contract that did not promote the use of local manpower, traditional knowledge nor local materials. This is the negative side of globalization.

Mr. Masera's response: This is an example of government procurement clauses that do not promote sustainable consumption.

6. Perspective of stakeholders on sustainable consumption and production in LAC

➤ Perspective of the Business Sector

Mr. Fernando Almeida, Executive President of the Brazilian Business Council for Sustainable Development, was introduced. His speech dealt with the business perspective on Sustainable Consumption in Latin America and the Caribbean. He began by presenting the work and purpose of CEBDS, the Brazilian chapter of the World Business Council for Sustainable Development. The mission of CEBDS, according to Mr. Almeida, is to insert the concern of sustainability into day to day of business life, as sustainability means survival in the broadest sense, of all forms of life. The Council was founded only 5 years ago and is composed of the main business groups of Brazil of all business sectors, including banks, and is a strong force in influencing decision makers. It normally represents the Brazilian business sector in international environmental meetings, such as the Conference of the Parties of the United Nations Framework Convention on Climate Change.

According to Mr. Almeida it is important to coordinate business interests and the enforcement of environmental laws. The enforcement of laws cannot be a factor against economic development, as it was sometimes the case in the past, when a rigid practice of "command and control" was in place. He emphasized the business opportunities that may arise from the implementation of the Climate Change Convention. CEBDS is closely following this issue, a major sustainability concern. Another challenge is the change in consumption patterns. "The North-American model is not sustainable", he added, "This Planet alone cannot endure such a consumption pattern." Access to information is crucial, when one tries to promote sustainable development. Furthermore, enterprises must respond to public demand, and maintain constant consultations with their clients to survive in today's business environment. Unsustainable practices, he believes, will cause the collapse of many companies, should they not respond to today's increasingly demanding consumers. He thinks it is imperative that enterprises engage in sustainable production practices, invest in innovation, and eco-efficiency and face the challenge of sustainability, converting this challenge into business opportunities. He criticized the idea of a free market, calling it a myth, and gave the example of the struggle of Brazilian steel producers to enter the US Market, and the agribusiness sector to enter the European market, which he believes are

signs of unsustainable practices. In his view, consumers are strong participants and agents. The idea of a boycott against Nike tennis shoes, when it was broadly disseminated that they used child labor, showed how big the consumer driving force is in today's business world.

CEBDS is doing its part, said Mr. Almeida. It created a network called the Brazilian Network for Clean Production, mainly for small and medium enterprises, which represent 98% of all Brazilian companies. It operates in small core groups, created in different states, with the support of SEBRAE (confederation of small and medium enterprises), FINEP (Federal Government), BNDES (Brazilian Development Bank), local universities and business groups. The network tries to promote eco-efficiency concepts, by training experts in workshops, by explaining the need for the reduction of energy consumption, efficient use of water and other natural resources, re-utilization of waste, recycling, engaging local community, maintaining good media contact, and creating jobs. The idea is to make the local groups autonomous and totally independent from CEBDS, i.e., they should become self-sufficient in promoting eco-efficiency at the local level, engaging local enterprises. Before Rio + 10, CEBDS calculates that over 17 groups will have been established throughout Brazil. These groups are promoting projects with small enterprises teaching them how to achieve better results, by promoting a rational use of energy, water and other natural resources, as well as waste. "When business takes a pro-active attitude", Mr. Almeida adds, "they improve their relations with the community and environmental agents, and make their product more attractive. This is what our experience has shown us."

Contact: www.cebds.com

➤ **Perspective of Government: Reduction of Poverty and Infrastructure, Experiences of the State Government of Amapa, Brazil**

Joao Alberto Capiberibe, Governor of Amapa

We tried to establish a governmental program to respond to public needs and demands. We presented the need to change the focus of development in the state. We tried to show people that the sustainable use of biodiversity in an Amazon State like Amapa would be a good solution to promote development. The program began to be implemented in January 1995. I had to fight against corrupt practices established by an illegal and informal agreement between local business groups and politicians that did not respect the tax system, i.e., there was no payment of taxes to the state treasury. Tax money was diverted to the pockets of corrupt politicians. And, with no money in cash, the government could not promote the social and public programs it should. Another corrupt practice in force in Amapá was the use of public procurement to raise money for local politicians. I had to break this system and was severely persecuted for that purpose. In order to build a sustainable society it is fundamental that the State maintains an ethical relation with the people. Consumers play a role there too. They have to be demanding to make the necessary changes in the economy, social relations, culture, in all human activities. We changed the development pattern in the state. We promoted local enterprises, instead of the foreign and unsustainable logging, agriculture and mining practices that had taken place previously. A better distribution of income was our main purpose. When money is not stolen from the State, there are

resources left to invest in a social agenda, and that is what we did. We doubled the number of homes with access to electricity, we increased the access to water resources, and we invested in education and in bringing back the children to school, and our development and social numbers improved. Brazil is a rich country, but it's important to improve the social control over the riches of the country. We need to promote a better distribution of benefits and raise our competitiveness in the global market. It is no longer possible to keep on spending half of the government's budget on servicing the foreign debt. One of the projects under implementation in Amapa is the change of the school curricula. We tried to adapt the curricula to local reality. We are showing the kids how to learn from our rich biodiversity. All the tools at schools come from nature and are built by students. We do not use plastic there, for instance. Materials should come from the local economy.

Contact: www.amapa.gov.br

Question to the Governor:

Governor, I would like to learn more about public participation in your governmental program.

Governor's response:

We tried to encourage all existing organizations to participate, from neighborhood associations, environmental groups, churches, everyone. We created local forums on sustainable development. The communities organized themselves and we opened an allocation in the state budget for community demands. For example, we asked the local school councils to decide on the use of their budgets. So, the school started to attract the attention of the local population in each neighborhood. The allocation of resources to community decision-making helped promote participation. Another important measure is to consult all pertinent groups, and involve all sector, such as the indigenous peoples' communities, rubber tapers, riverine traditional peoples, communities of nut gatherers, fishermen, and businessmen in decision making. This makes a lot of difference.

➤ Perspective of Consumers : Promoting Sustainable Consumption

Stefan Larenas, Consumers International, Chile

First, I would like to comment on some issues raised here this morning. One essential question is "building partnerships", without which sustainable consumption cannot be achieved. Also, I would like to comment on Masera's paper when he shows that there is a big gap in consumption patterns when one compares the northern and the southern hemispheres. Also, within each country, there are enormous gaps in consumption patterns. The current paradigm stimulates an excessive and irrational consumption pattern. This raises a contradiction. While some stimulate a consumption pattern that is excessive, others combat the consequences arising therefrom.

Consumption is one of the most important issues affecting sustainability in the world. This is a question that has been raised since the 1970's, with the Rome Club and the Environmental Conference in Stockholm, as well as in Rio 1992. In Rio, the principle of common but differentiated responsibilities was agreed as an international rule to govern environmental relations. We live in an international context where one has to bear in mind the enormous social realities and gaps between countries.

However, there are important developments that are being promoted by the United Nations that we should comment on. A few years ago, in this very city, São Paulo, the Environmental Secretariat of the State of São Paulo hosted a meeting of experts sponsored by the UN Commissions on Sustainable Development in which directives for sustainable consumption were discussed and agreed upon. So, today we have a set of directives on sustainable consumption. Now the United Nations is preparing a report on the developments since 1992, to be presented at Johannesburg, in 2002.

In this effort conducted by the UN, in which I participated, we concluded that unfortunately there isn't anything being done in terms of public policies. The same report we prepared for the Earth Council at the time of Rio + 5, and we found that even when some governmental organizations have shown some concern and proposed programs on the issue of sustainable consumption, there is no coherent and thorough public policy to stimulate a change in behavior towards implementing sustainable consumption. This conclusion reached five years ago will be confirmed now, five years later, unfortunately.

On the other hand, we have seen some progress when addressing local governments. There are some basic problems that need to be addressed throughout Latin America when trying to promote a framework for sustainable consumption, which are: solid waste, energy, and public transport. There are many initiatives that try to address these problems in a sustainable manner, but they are fragmented, scattered. We have seen no clear public policy established to address sustainable consumption in Latin America.

One important issue raised here before is public participation. There is a lot of work to be done in this field, not only by governments, but also by society as a whole. Governments should facilitate, stimulate public participation in order to make the change in paradigm, the transition to sustainable consumption possible.

One of the great advantages of promoting the discussion about sustainable consumption is its relation to all major current global environmental issues, such as climate change, biodiversity, etc. Consumption has a great impact on those global problems.

A lot has been done on the issue of sustainable consumption in Latin America with very little money. We have managed to promote educational programs, with the support of the European Union, addressing sustainable consumption with regard to food, water, transport, waste, advertisements, such as will be discussed here today and tomorrow.

Finally, I would like to say that we have to overcome mutually suspicious attitudes that influence all sectors that deal with the issue of sustainability. This is imperative, if one wants to promote partnerships to change consumption patterns. We believe that consumers,

consumer organizations and environmentalists have a great share of responsibility in this effort, but they cannot undertake this task alone. There must be support from the State, which needs to establish the political environment and the necessary policies towards that goal. We need to work towards building collective and individual awareness on the issue of sustainable consumption, in order to construct the concept of global citizenship.

There are enormous tasks ahead for all stakeholders, such as evaluation of products, adaptation of educational curricula, production of literature and information on the issue, making information easily accessible to consumers, promote capacitation initiatives.

The international agenda is still influenced by the issue of sustainable development, and sustainable consumption is still a side question. However, we have to recognize that UNEP, and particularly UNEP France, has made an enormous effort to include this issue in the international agenda. We need to break the vicious cycle, in which we are working and promote strategic partnerships to overcome this barrier.

Contact: www.consumersinternational.org

Comments and questions for Mr. Larenas:

Comment 1: I would like to hear Mr. Larenas and Diego's views concerning consumer issues in the Caribbean, which is quite different from Latin America.

Response (Mr. Masera): I think I mentioned in my presentation that those are quite different realities. Even within the Caribbean there are differences, because there is the Spanish speaking Caribbean, the English speaking Caribbean, and the French speaking Caribbean. I think we need to work on specific programs by countries, by sub-regions, by regions and globally. To begin with, however, we should focus on common problems, to come with a set of common directives, and then make them more specific.

Response (Mr. Larenas): Well, the studies I have mentioned that we are conducting, that deal with private transport, population density, excessive consumption, lack of access to water, etc, are themes that I believe are of common interest to all countries in the Latin American and Caribbean region. The results will be helpful to all different realities, in my opinion. I hope that we will be able to come up with an Action Plan from this workshop, a common background upon which everyone will be able to work. Here we have people from different countries, realities, and sectors. We have all stakeholders represented. I hope we will be able to establish a network and work together.

➤ **Enhancing Traditional and Indigenous Knowledge**

João Paulo Capobianco, Coordinator Atlantic Rainforest Program, Instituto Socioambiental, Brazil

The organization I represent, Instituto Socioambiental, is a Brazilian not for profit non-governmental organization, with head office in São Paulo, with projects in different states and a national agenda. Besides our head office in São Paulo, we have an office in Brasilia,

one in the Rio Negro region (São Gabriel da Cachoeira, Amazonas), one in the Xingu Indigenous Park, in Mato Grosso, as well as work in the region of the Ribeira River valley in the state of São Paulo.

For us at the Instituto Socioambiental the issue of sustainable consumption and discussion of the role of the consumer are very important. Consumers are one of the most important pressure groups in our current history. A conscious consumer is an important agent for change.

The theme I will discuss with you today is traditional indigenous peoples' knowledge. I consider that giving value to indigenous knowledge is not the right approach. We have to "consider", "recognize" their worth. These people do not need to be given a voice, but to be heard. In the same manner, we do not need to give value to their work, since they already have a value. We should recognize their role and allow them to have their own space. Products made by traditional and indigenous peoples are slowly gaining space in the markets in big cities in Brazil.

Instituto Socioambiental has been developing projects to allow the products of indigenous peoples to reach the markets. For instance, we are working with indigenous peoples from the Rio Negro (Amazonas) region assisting them in putting their produce (artifact done with palm trees) in the São Paulo market, at two big chain stores. Soon we will be helping riverine traditional peoples to sell banana sweets in the São Paulo stores as well. It is important to sell the aggregate value contained in the produce, i.e., when a consumer buys an artifact made with palm trees by indigenous peoples in São Paulo, a big city, they are buying a "socially and environmentally sound project". They are informed how the produce is made, how it is transported all the way from a distant region in the Amazon region, and how the indigenous communities that got organized to produce in large scale will benefit from this commerce. Consumers want to make informed choices and help sustain healthy production practices. They want to pay for the "aggregate" value contained in the produce, which is its value in terms of social and environmentally sustainable practices and benefit sharing. And it is not enough to sell "an environmental aggregate value". There should always be a social factor. In this way, consumers may be able to influence the big political scene, demanding the adoption of serious policies towards sustainable development.

The work of Governor Capiberibe, of Amapa, who spoke to you today, is an example of how sustainable policies can help create a market for local produce with respect to the environment and social values. In Amapa, today, one can visit amazon nut oil factories and learn that they are already exporting local produce with great social and environmental aggregate value. The PDA (project executed by the federal government) has invested in local production practices in the Amazon region involving traditional communities with great success. The amount invested was very low, compared to the amount of official credit for soya agriculture practices, but it achieved great results, because the money was invested in environmentally and socially sound production involving local manpower and traditional knowledge.

Now, when the consumer goes to a big chain store, such as Tok-Stok in S. Paulo, and buys furnishings and artifacts to decorate his house, we have to make sure that he will learn that these products were generated in a sustainable manner. We have to guarantee more

opportunities for such “alternative” products, invest in the training of these “alternative” producers, so that they may be able to continue feeding the market. We have to involve more traditional peoples. In Brazil alone there are over 180,000 indigenous peoples, from 170 different ethnic groups. We also have other traditional groups such as the “Quilombola”, descendants of African slaves, who represent over 350 communities only in the Amazon region. They need to be given access to a share of the market. They should be able to reach the market with their products, and their value has to be recognized. We should help avoid greedy middlemen in the market. The producers should have direct contact with the consumers, so that they can communicate the value of their work, and sell for a fair price.

Contact: www.socioambiental.org

Questions and comments on Mr. Capobianco’s speech:

Question 1: I would like to know how you communicate to the consumer all the issues involved in the production processes and commercial relations you described?

Response (Mr. Capobianco): I will give you the example of the Aruma trees artifacts from the Alto Rio Negro region. The case is the most advanced we are dealing with now. It is complicated to sell materials from indigenous communities in a great chain store. The stores see suppliers as suppliers. Indigenous Peoples have to be prepared to deal with that vision, i.e., they need to have a professional attitude and learn how to operate in the market, keeping agreements that have to reach a big clientele. Also, the chain store has to learn how to deal with the difficulties of their suppliers. This type of commercial relationship is complicated. The chain store or the “buying” side has to invest in this new relationship, that needs a lot of technical and organizational support. In the case of the Aruma artifacts, the information to the consumer comes in posters, leaflets, and a specially designed area of the store where the products are set up and information made available. The most important thing is to get the company that buys the products to work on the communication side. If the company understands the importance of this relationship, it will be able to communicate and sell the products to the public.

➤ Ecological and Social Benefits of Sustainable Agriculture

Eduardo Ehlers, PHD Student at the Environmental Sciences Program at the University of São Paulo, Vice-Director of SENAC Environmental Education Faculty, Brazil

I will address the organic agriculture movement in Brazil, the economic advantages of this type of culture and the role of the consumers. First, I would like to explain how “alternative” or sustainable agriculture practices started in Brazil. The first movement to be set up in Brazil was the Biodinamic movement that arrived in the 1970’s. Soon the Organic Agriculture movement started. Two other movements were the Ecological Agriculture, influenced by French immigrants in the south of Brazil and the Natural Agriculture. All of

these movements began as a response to unsustainable agricultural practices that were taking place throughout the country. What they have in common is that they are against any use of agrochemicals (pesticides and fertilizers) and they value the use of biological processes in the production systems, i.e., and the use of organic, natural fertilizers. They also are against monoculture and promote a coordinated management of agro-ecosystems.

As in many other parts of the world, this type of agriculture has not been very appreciated in the past, they were considered outdated. However, since the 1990's this alternative production method began to be prized and started growing rapidly. Since 1997, organic production is growing at a rate of 30 to 40% a year in Brazil. Brazil is the tenth largest producer of organic products in the world, and the 34th biggest exporter. In 2000 there were approximately 4,500 organic producers in Brazil, using approximately 100.000 hectares. Organic farming is not promoted only by these producers, there are other farmers that promote this type of agriculture, but have not been certified and have not been accounted for. The state of Paraná in Brazil has the largest number of organic producers: 2,400. This is due to governmental support since the early 1980's. The main organic cultures are vegetables, and organic coffee is also growing. Soya organic production is growing too, mainly in Paraná, at a rate of 30% a year, and its price is 50% higher than convention soya, mainly due to the fear for genetically modified plantations. In the State of São Paulo, the São Francisco Usina (Farm), has produced approximately 55% of all organic sugar planted worldwide. The production of organic orange is also increasing in the State of São Paulo.

The advantages of adopting an organic production system are varied. In terms of environmental protection, there is a reduction of the use of agro-chemicals, pesticides, chemical fertilizers, which reduce contamination of soil and water. This type of culture also helps conserve biodiversity, because the systems are more diverse and depend on the conservation of native vegetation. They obviously generate better quality of food, which is more nutritious. Among economic advantages are the reduction of use of products, such as fertilizers and pesticides (traditional in current technological trends) and machinery, and products can be sold at a higher price in the market. The demand for organic produce is much higher than supply nowadays in Brazil. Other external gains, normally not internalized in standard accounting, are the improvement of soil and water quality and the conservation of ecosystems. The costs for the environment of conventional methods are normally paid for by society (through governments). So, with a more sustainable production system, these damages to the environment do not take place and are not costly to society as a whole. So, when analyzing the advantages of these production systems, one has to take into account the big picture. Social advantages are manifold. Organic farming is highly dependent on manpower, it generates many jobs, and in countries with high unemployment rates, this is definitely a great advantage. Also, diversification of cultures generates many indirect jobs, in the industry and services sectors. This type of activity also makes the countryside more attractive to tourism, leisure, second homes, because the environment is more diverse and attractive and less polluted, so people from big urban centers like to visit occasionally or maintain a weekend property in the countryside. In Brazil there are 4 million people working in family production systems, and only 500 thousand working in big agribusiness enterprises. So, organic agriculture is definitely a good option for the country and we have to develop a production model that values family production systems, different from the current agroindustry values.

When we try to explain why these alternative movements have gained so much space, one of the causes is the growing awareness of society, a consequence of the work of non-governmental organizations in the past decades. Also, this issue is no longer a taboo in public organizations and universities, as it used to be. Furthermore, the government now has public programs to support family agriculture systems, such as the PRONAF. The Environmental Ministry is also investing through the PDA program in the Amazon, cited by Capobianco previously. The Small and Medium Enterprises Association (SEBRAE) is also investing in organic agriculture programs and Banco do Brasil has a specific credit line for organic farming. Many state and municipal agriculture secretariats also support this type of project throughout Brazil. Now we have a norm, passed by the Ministry of Agriculture that regulates organic certification, which is an important policy step towards sustainable production.

The mad cow disease and the GMOs have caused great panic among aware consumers, who are now looking for organic produce, mainly in Europe, but this is also taking place in Brazil. Now one can find organic produce in all major supermarket chains in Brazil. Also, there is a growing market for certification enterprises. The certification of organic produce is done with the participation of non-governmental, not-for profit organizations, and there is a great deal of social control, which is not normally the case in certification of industrial processes, such as ISO 14.000.

Not all family agriculture enterprises have joined the organic movement. It requires considerable information and administration capabilities. It is only performed by an elite so far. Among the difficulties for such enterprises are the lack of financial support and a great deal of bureaucracy to go through when one tries to start his own small business. There are no economic incentives either for those who do not pollute or pollute less.

Among the challenges we have to face are:

- need to change the development focus, from land extensive and chemical intensive, to family and organic production system;
- consumers' need to be better informed about what is behind the "green seal". The certification is not enough. We need more control of certification systems and information needs to be communicated in a clear language to the general public;
- social and environmental factors of sustainable production systems should be duly accounted for and translated to the general public.

Comments and Questions about Eduardo Ehlers lecture:

Comment 1: I am conducting research on the ethical commercialization of food in supermarkets, and I would like to hear your opinion on the issue of prices of organic food, that are much higher than other products, which make it inaccessible to most consumers.

Response (Mr. Ehlers): Well, you will soon hear from Alexandre, who is an expert on the issue of prices. . At any rate it is really difficult to explain. If producers spend less with chemical subsidies for agriculture, why isn't the final price of organic products to consumers lower? We are currently in a transition stage, from conventional agriculture to sustainable agriculture, and in this period a lot of investments have to be done to adapt the agro-ecosystems into sustainable ones. I believe the trend is towards minimizing such costs. With respect to ethics, we should study the behavior of supermarket companies. They are not necessarily engaged in the sustainable production and consumption movement. They do not make the life of organic producers easier. And I believe there should be some investment on their part too. Today, any decent supermarket has to offer organic products since consumers are demanding so. But organic producers are not yet able to compete with other conventional producers, so they deserve special attention. There are other alternatives to sell organic produce, such as the organic fairs, that take place all over the country.

➤ **Certification of Organic Products**

Alexandre Harkaly, Instituto Biodinâmico, Brasil

Hello, I am an agronomist, with specialization in Ecological Agriculture. I graduated 21 years ago from the Agronomy School of University of São Paulo, at a time when it was “forbidden” to talk about Ecological Agriculture. That was a rule established by the Director of the School of Agronomy, believe it or not. When I graduated I wanted to work in the field of Ecological Agriculture, and there were no jobs for me here. So, I went to Europe and worked as a trainee in many places. When I came back to Brazil, I joined the effort to create the Biodinamic Institute, which started in 1985, in the city of Botucatu, interior of the State of São Paulo. It started as an NGO promoting courses, doing consulting work, research, and publishing literature. Today we are certifiers of sustainable agriculture practices, and we have two types of green seals. In 1990 the IBD started to work with certification. At that point we had enough experts and projects to carry on certifying activities. We started with two projects: coffee and sugar plantation. Now, in 2001, we have 370 projects, 120 of which have been certified already. We are working with over 3,000 producers all over Brazil, with 50 accredited auditors. We are also conducting work in Argentina, Bolivia, Paraguay, Uruguay, Costa Rica and the Dominican Republic.

For IBD, certifying sustainable agriculture practices is not an opportunist task. We have been part of the social movement that is trying to change the current development paradigm. However, working in a developing country is complicated. We have to leapfrog certain stages, to adapt our producers to the current global trend of organic farming and consumerism. It is complicated for small farmers, traditional peoples to operate in such a global market. From the 3,000 producers I mentioned, 90 % are small projects conducted by family enterprises. We have already certified products of the Terena Indigenous community; for example, who are exporting the juice of mango fruits they plant. There are other indigenous groups that are promoting sustainable production methods, such as the Iavá-Navá, of the State of Acre, groups from the Xingu National Indigenous Park, and the Xavante people. We have certified the produce of Brazil nut producers of the State of Maranhao. We are also working with the former landless people, who now have their land

and want to produce in a sustainable manner. Working with the indigenous groups and certifying according to international standards has been a great challenge, due to cultural and bureaucratic barriers.

As a certifying company already operating in the international market, IBD has been involved with very large projects, such as the certification of large sugar cane, soya, coffee, dende oil, and Brazil nuts production centers.

Besides complying with the technical organic pre-requisites, we also check the legal requirements. We do not certify products that do not comply with all legal requirements. For instance, it is not possible to certify organic milk or cheese, if the producer has not fulfilled all legal requirements and accreditation procedures with the Ministry of Agriculture. Also, the respect for environmental laws and requirements are a pre-requisite to receive our certification. We will not certify producers that do not respect the forest laws, water resource protection laws, for example. We also check social factors and respect for labor laws.

IBD is a 100% Brazilian NGO, internationally recognized in the European, US and Japanese markets. We are the only Brazilian company with such credentials today. We are accredited by the German government and the International Federation of Organic Agriculture.

We face one important challenge in Brazil, which is the legalization and official recognition of our work by the Brazilian government. These rules still have to be formulated and implemented. There is one bill being discussed in Congress that may establish this legal framework. There is much work to be done on the part of government to regulate and control certifying companies in the country. Also, governmental rural extension entities must incorporate in their training and training initiatives the issue of sustainable production, particularly organic production.

There is a great deal of educational work to be done and in the communication field. Producers, consumers, suppliers, intermediaries, all participants in the production-consumption chain need to learn about the advantages of a sustainable system that needs to be put in place. The media has a very important role to play in this process too.

I have data on the global and regional organic markets that I can make available to you all through email.

Contact: ibd@ibd.com.br and www.ibd.com.br

7. Key Findings of the First Day of Workshop

Group Work and Plenary Discussion

The professionals present at the workshop gathered in groups and outlined the main findings of the first day of work in a plenary discussion. Key words were chosen to summarize and synthesize the main factors to promote sustainable consumption. They are:

1. Vision - one has to have a long term vision or outlook of how to promote and maintain sustainable consumption as a goal in promoting sustainable development
2. Partnerships - are pre-requisites for sustainable consumption practices
3. Communication strategies - one has to promote all types of communication strategies involving all stakeholders and multi-media
4. Eco-efficiency - Production and Consumption practices and activities must be eco-efficient
5. Prices - we have to work towards establishing fair prices for products and services that are produced in a sustainable manner, to reach all consumers in an equitable way.
6. Networking - promoting sustainable consumption depends on putting together and linking all the important stakeholders
7. Multi-sector - all sectors and participants must joint together in the effort of promoting sustainable consumption
8. Values - the change in consumption habits depends on promoting new values that respect sustainability of all chains of life in the Planet.
9. Knowledge - continuously promoting knowledge about efficient products, procedures and processes is crucial.
10. Life cycle - considering the life cycle in the production processes
11. Fair distribution - equitable and fair distribution of economic benefits among all, through local management and tax reform.
12. Education - formal and informal educational initiatives are fundamental tools to reach sustainable consumption and development
13. Best-practices - should be promoted in order to pave the way towards sustainable consumption.

8. Key Note Speech

➤ Sustainable Development: Sustainable Consumption and Production

Mr. Haroldo Mattos de Lemos, Instituto Brasil - PNUMA, Brazil

The concept of Sustainable Development is extremely controversial and complex. Different sectors have different views on what it should mean. But it is also a concept that derives from common sense. No one would argue that respecting present and future generations is not correct.

The idea of sustainable development involves technological, cultural, environmental, social, economic and political factors. The report "Limits to Growth" of the Club of Rome presented in Stockholm in 1972 first addressed this concept and was considered quite controversial at the time.

In 1982, at the time of UNEP's Administration Council's meeting, it announced that environmental problems of global magnitude were increasing in importance and in negative impact on the biosphere. Transboundary air pollution, depletion of the ozone layer, pressure on ecosystems, climate changes, toxic pollution and POPs, were among the main problems announced at the time.

In 1995, as a Secretary at the Brazilian Ministry for the Environment, I attended a meeting in Washington, where vice-President Al Gore announced that one single American citizen has an impact on the biosphere that is 30 times bigger than that caused by a Chinese citizen. The average American buys 10 cars, 5 refrigerators, 10 television sets in the course of his lifetime. One Chinese, on the other hand, might buy one bike and one radio. Overpopulation and consumption have to be adequately addressed in order to guarantee the survival of the biosphere.

Another big challenge is addressing social issues. In 1976, the Club of Rome published another report. But this time, no one paid much attention. Studying the gaps between the rich and the poor, they concluded that long before we achieve the physical limits of sustainability of life in the planet, we would go through severe social disturbances caused by such gaps.

Guaranteeing the availability of resources, not exceeding the limits of biosphere to absorb waste and pollution and reducing poverty at the global level are the main challenges we face nowadays.

In 2002 the United Nations will gather in South Africa to discuss sustainable development again. Has there been any progress in the past 10 years? Well, I believe that institutions have improved, but we are still using more natural resources than we should. For example, there is still overfishing and overlogging. We are still marching in the wrong direction. Waste and pollution are still increasing, and the gap between the rich and the poor is still enlarging. Among the main problems we urgently need to face is that of overpopulation, and the increase of the population is taking place in the poorer countries. We have established unsustainable consumption patterns: 25% of the world population consumes 75% of all primary energy, 75% of metals, and 50% of the food produced in the world. There has been some progress, such as in the field of technologies and biotechnology, but a great deal still needs to be done.

We will need long term adjustments in our economies and life styles. Mahatma Ghandi said that the world has enough resources for all, but not enough for the greed of some.

Contact: www.rolac.unep.mx

9. Business Opportunities

➤ Sustainable Product Development

Mr. Diego Masera, UNEP/ROLAC

I will talk to you today about Sustainable Product Development. The idea of sustainable product development started with the notion of considering environmental aspects in production processes. Later on, it was realized that environmental aspects were not sufficient, and that it was necessary to take into consideration the objectives of sustainable development, taking into account the life cycle of products, and cultural and social aspects as well. Issues such as contamination, deforestation, extinction of species, climate change, began to be seen as consequences of unsustainable production and consumption practices. So, one started to think how to eat, get dressed, commute, live, without creating a huge impact on the biosphere, and then, the concept of sustainable product development also started to emerge.

There is no sustainable consumption if there is no sustainable production. Achieving the goals of sustainable consumption and production requires the rational use of energy, raw materials, toxic materials, etc. Also, cleaner production, is a concept that has gained importance. Sustainable consumption is the use of products and services to assure basic needs, and promote a better quality of life.

The main actors in promoting the transition towards sustainable development, are consumers, producers and governments, who share responsibilities towards that end. The role of consumers and consumer organizations is fundamental. There needs to be a change in life styles, consumption patterns, and the dissemination of information for that purpose. Engaging citizens is also essential. The media must also get engaged in this effort.

Sustainable product development requires the efficient use of resources, the enhancement of the life span of products, the increment of product quality, minimization of waste in production, end of life and social considerations.

Edwin Datchesky developed some criteria for sustainable product development. He says that sustainable products are those that are: cyclic, solar, safe, efficient and social. They must use organic materials. Being solar means using alternative non-polluting energy sources. They must be safe, in the sense that they should not be toxic, damaging. They must be efficient, and optimize the use of materials. Being social means respecting local cultures and social values.

In Latin America, the introduction of sustainable product development will enhance production, income, job generation and will promote environmental protection. Clean development is fundamental to guarantee future markets for the region's products.

➤ **Life Cycle Analysis and Sustainable Consumption: Change of Paradigm**

Ed Klein, Tetra Pak – Latin America and Caribbean

If we are talking about Sustainable Consumption, we have to delve into the concept of life cycle thinking. There is an old American Indian saying that we do not inherit the earth from our ancestors, we borrow it from our children. And that obviously makes a lot of sense. I

was thinking after I read Diego's paper, that we should add something to that, and include our brothers and sisters.

I work for a multinational company of the liquid food field, Tetra Pak. Our vision is that every person should get enough nutritious food, to meet their basic needs. We have developed sustainable packaging systems that are used to meet basic needs. We have internalized the concept of Life Cycle in our systems.

When we think about the life cycle of food, we should look at how it was grown, if it is socially responsible, grown or made in a way that is sustainable for a long period of time, and so on. We have to look into all kinds of energy that goes into various stages and into the final disposal of waste along the way. Most processes are very inefficient. Most of the time the waste probably exceeds the product itself.

Many people think that packaging is pollution, but since I work for a packaging company, we've spent a lot of time studying it. I'm not going to suggest that everything needs a package, that is not true, but containment is important, for safety purposes, for example. Sometimes you need to protect for nutritional purposes, or to transport, or to communicate what the food is made from.

We, at TETRA PAK, buy materials from suppliers and then make them into packages. The package is made from paper, plastic and aluminum foil. In addition to that you might need a pasteurizer or homogenizer, or VTS equipment which is used for ultra high temperature. Then you take a look at all the environmental impacts. Materials are shipped to our plants in various part of the world, and we then convert these materials into packages. Recycling is a part of what we do.

Let me talk a little bit about the TETRA PAK packages. We try to make our products using low energy and low material demands, and promoting low emissions. We have placed environmental management systems virtually in all of our plants in the world, and certainly the 2 plants in Brazil are ISO 14.000. We are constantly looking to reduce the environmental impacts, the energy and waste and other environmental impacts. We have policies in our relationships with our suppliers. We do not allow them to use child labor. We require them to promote sustainable forestry. For example KLABIN, from Brazil, which is our supplier for most of Latin-America, is FSC certified. We work with them in terms of emissions and energy usage.

Contact: www.tetrapak.com

➤ **New Business Attitudes**

Mr. Milton Seligman, Corporate Relations Director of AmBev, Brazil

Ambev is a company that was created after a merger of the two largest beverage companies of Brazil: Brahma and Antartica. The Brazilian beverage market produces 19.8 billion liters and R\$ 16.1 billion, approximately US\$ 8 billion. Sodas represent the largest

product, followed by beer. The Brazilian market is the 4th largest in the world with regard to beer, and the 3rd, for soft drinks. Ambev is the largest beverage company in Brazil and Latin America, after the merger. It is the 5th largest in the world.

We are promoting sustainable production partnerships with the small and medium agriculture enterprises in the state of Amazonas and Acre to plant guarana, which is used in the Guarana soda, one of the most popular soft beverages in the country.

Ambev also promotes partnerships with civil organizations. We promote education initiatives, which is quite crucial in Latin America. We consider the life cycle of our products as well. In the education field, we are sponsoring literacy programs that benefit over 2,000 people who did not know how to read and write. In São Paulo we sponsor a technical school for Antarctica's workers children. We are also investing in training workers for the market. Ambev aims at obtaining ISSO 14000 for all of its plants. Nine of our plants already have that certification. Ambev has founded the CEMPRE initiative, which is the most important business partnership in the country to promote recycling initiatives and education on sustainable production and consumption. Water is the main material for our products and we have been investing in process that optimize its use and treatment of liquid waste. We are also sponsoring voluntary work by financing the web site www.voluntarios.com.br.

Contact: www.ambev.com.br

10. Communication Strategies

➤ Promoting New Values Through Advertising

Mrs. Christina Carvalho Pinto, President, Full Jazz Publicity Agency, Brazil

My topic is very challenging. The company I represent launched one year ago the first Brand Citizenship Development Nucleus in the country, which is still a pioneering initiative. I think that every communications company should invest in promoting citizenship through communication.

I have been working in the advertising business for 32 years. I have always been pressured to concentrate on the marketing aspects of my creation work, but never, about values, about social transformation. Last year I started to realize that companies, and the brands that represent them, need to embrace social causes. Marketing professionals have to be very careful, because they promote consumption and creation, and at the same time, a great deal of destruction. I brought here today some videos of advertisements for reflection. Some incorporate current social responsibility values, the most recent ones. Others are totally politically incorrect. The politically incorrect ones have even obtained the most distinguished international prizes, for creation. And we must discuss the criteria of these international contests and prizes. But not only advertising professionals need to embrace social causes. All communications professionals must think about the impact of their work and become more responsible. One can be creative without destroying human values.

Communication is not about technicalities. It is not the art of frivolity. It is the art of building, educating people and requires serious, responsible professionals. I think that change is possible, and it is already starting to happen.

➤ **Case Study: Communicating About Sustainable Consumption - The Series On The Use Of Water**

Mr. Vinícius Rosada Dônola, Reporter, Globo TV Network, Brazil

A journalist is the kind of person who used to hate chemistry, physics and mathematics at the university. But, when he graduates from journalism, and starts working as a reporter, he's crazy for number and all kinds of statistics. We were fascinated by the statistics on water resources at Globo TV when we decided to produce a series of technical reports on the sustainable use of water for our main evening news program: Jornal Nacional.

The Globo Network is the largest TV company in the country, and the Jornal Nacional is its main newscast, with an audience of approximately 32 million people every night. Globo TV station reaches a national and international audience through satellite. TV Globo is not sold via cable. It has a wide audience, ranging from housewives, the business community, students and low-income families. Our challenge in this particular series of news stories was to present complex issues without being too technical but in a language most of the audience could understand, without avoiding the details necessary in transmitting scientific and political issues.

This series of reports contained five different episodes showing the conflicts arising from the use of water resources. The first episode provided a general diagnosis about the situation in Brazil and in the world, sending out a clear message that very little water is available for human consumption throughout the globe. The second episode is on sanitation measures and needs in Brazil, focusing on large urban centers like São Paulo and Rio de Janeiro and the lack of investment in sewage system networks in the country. The third episode deals with the conflicts arising from privatization of water work utilities, a current issue quite controversial in Brazil. The last episode (in video form) I have brought with me to show you transmits a positive message, offering solutions to these problems. It focuses on projects that optimize the use of water resources and meet the needs of all stakeholders.

Please note that I work for a company that sells one product: information. We first began to doubt that the series of reports on water would be well received by our audience. Our Journalism Director, Ali Kamel, who supported the idea all the way, wanted to give it a try. We were very surprised by the outcome. Our average ratings for the show vary from 35 to 40 points, but during the week when the series on water resources was aired, the rating increased 5 to 6% on the average. I am sure the program was responsible for this increase.

In Brazil, as in other parts of Latin America and the Caribbean, governmental institutions do not operate adequately, and the media plays a very important role in voicing consumer demands. For example: many people call TV Globo for support in typical consumer rights

demands. We normally tell them to get in touch with the consumer protection agencies of the government (PROCON). It is not our job to promote these consumer rights agencies, but they do not communicate their functions well to the public in general.

11. Education, Training and Networking Strategies

➤ Young Peruvians in Action

Mrs. Mariela Canepa, Associate to UNEP Youth Advisory Council and the Group SAYWITE-PUCP, Peru

I am pleased that the young have had the opportunity to participate in this workshop. I am not going to spout off numbers, and statistics. I am only going to talk about a successful experience in Peru on sustainable consumption. The project executed by the group SAYWITE-PUCP is part of a larger project sponsored by the Catholic University on renewable energy. When they started promoting renewable energy projects, they realized they needed not only engineers, but also young university participants to promote the effort. A group called SEGUITE was created, currently a part of the UNEP Youth Council. This group was formally invited to join the project on sustainable consumption and the youth organized by UNEP. There have been two meetings (in New York and Oxford) among the youth involved in the project with UNEP. The participants discussed what youth can do to promote sustainable consumption.

In Peru, the project was launched with the support of the Catholic University, the consumer department of the Peruvian government and other governmental and non-governmental entities. They conducted research on the issue of sustainable consumption, interviewing young people, as part of an international effort conducted by UNEP on the same issue. They organized workshops on recycling in Lima, the capital city, attracting hundreds of young people. They also worked with the Scouts of Peru and indigenous peoples, raising awareness on sustainable consumption issues.

➤ Basic Education and Sustainable Consumption: the Experience of Tribuna de Consumidores, of Ecuador

Mrs. Maria José Troya, Tribuna Ecuatoriana de Consumidores y Usuarios

The Tribuna Ecuatoriana de Consumidores y Usuarios is a not-for-profit, non-governmental organization, composed of different consumer organizations. Those organizations that are part of Tribuna are incorporating the issue of sustainable consumption in their work, fundamentally through educational projects. We have set up a radio program, where we emphasize sustainable projects, such as the ones executed by indigenous peoples communities that promote sustainable logging practices. The radio program is expanding and now includes discussions on sustainable production, natural resources, GMOs, FTAA, as well as sustainable consumption. Different people, from all sectors, are interviewed in the weekly program that lasts 30 minutes. We are also working

on a project educating consumers on sustainable consumption, which has the support of Consumers International and the European Union. We work with school teachers, assisting them in promoting school work on sustainable consumption. In three years, we have trained 230 teachers, 10,000 students and 5,000 parents on the issue. We have also distributed materials in the training session, for the audience to take home.

➤ **The experience of MTV (Music Television), Brazil**

Mr. Mauro Garcia Dahmer, Creative Writer, MTV Brasil

Well, as many of you may know, MTV is a TV for young people, produced by young people. We organize different citizenship campaigns on ecology, HIV prevention, politics, among others. When we conduct a campaign, we do not follow a pre-established agenda. We pretty much improvise and work with very little money and creativity. The first video I will show concerns a campaign on environmental issues. As you may be aware, we like to provoke discussion, to be controversial, and raise the awareness level. We need to create an open forum on TV, to increase the political participation of the young. This is what MTV is doing. We are interested in setting up partnerships with UNEP and other groups, including those, which are here today, because we believe in politically correct causes.

12. Defining Strategies to foster Sustainable Consumption

**Mr. Marcelo Sodré, Law Professor at the Catholic University of São Paulo
Director of Instituto Brasileiro de Defesa do Consumidor (IDEC)
Member and co-founder of Instituto Pró-Sustentabilidade (IPSUS)**

For the past six years I have been following different initiatives and workshops and seminars on the issue of sustainable consumption, like many of you who are here today. I think that we had an extremely rich opportunity these two days discussing these matters. How to translate this into an Action Plan is our big challenge now. At first, we discussed the general concepts when debating the background paper written by Mr. Masera. Then, we analyzed the impact of unsustainable consumption and production patterns on the earth's ecosystems. We also discussed who is doing what in terms of promoting sustainable consumption and production. Now, we have to move on to concrete measures and partnerships. We should do that by choosing and discussing core elements that must be present in any program, project, strategy, -- of governmental or non-governmental origin-- on sustainable consumption and production practices. We must also establish a common agenda to take home and continue working on, all of us together. That, in my opinion, is our biggest challenge: establishing common goals and working together in an international and multi-stakeholder effort to foster sustainable consumption and production practices. We must also concern ourselves about communication strategies to achieve these goals.

13. Conclusion: Action Plan

The audience clustered into different groups according to issues listed as priorities to be included in an Action Plan for the Latin America and Caribbean regions. The main findings of each group are listed below as suggestions to be included in such a Plan.

The initial topics chosen as priorities were:

- Networking
- Social aspects of sustainable consumption
- Public campaigns
- Policies and infrastructures
- Business
- Training
- Data bases

These topics were re-clustered and four different groups were organized to further elaborate on the priorities. The final recommendations of the groups were:

➤ **Training, Education and Network**

The group decided that priorities in these areas should be:

- a) Organize a web site, perhaps with the initial support of UNEP, containing basic information on sustainable consumption and production. This website should foster discussion on these issues in the LAC region. The site should work as a window to promote partnerships, joint projects, attract sponsors, for as many stakeholders as possible, from government, consumer organizations, environmental groups, business, academia, etc. It should also serve as a tool to exchange information on different experience in the region and elsewhere in the world.
- b) Prepare a data base containing broad information to foster academic, political and business work in the field.
- c) Prepare a discussion list to include stakeholders involved in the promotion of sustainable consumption and production practices and discussions, from all sectors. All those present committed themselves to expand the discussion list and indicate new members to the group.

- d) Set up a network of individuals and institutions to foster sustainable consumption and production in the LAC region. This network should meet to discuss a common agenda and promote the interests of the region in the international arena in pertinent global forums.
- e) Produce a newsletter in print and electronic format to reach as many stakeholders as possible. The newsletter should contain updated information on the issues of sustainable consumption and production, and report on relevant initiatives in the area.
- f) Set up training programs on sustainable consumption and production.
- g) Set up general environmental education initiatives on sustainable consumption and production, duly adapted to different local conditions.

➤ **Recommendations for the United Nations Conference on Sustainable Development (Rio + 10) and Social Issues**

The group suggested the following priorities in these areas:

- a) The term "sustainable consumption" should be substituted by "responsible consumption" a broader concept, that better expresses the interface between social and environmental concerns.
- b) When addressing sustainable consumption in Latin America and the Caribbean, the interface between social and environmental problems must necessarily be recognized.
- c) Developing countries must learn from their own experiences and traditional knowledge of sustainable consumption and production practices in their regions, that have been developed historically, due to social needs and lack of resources.
- d) Prioritizing programs that enhance work and involvement of youth.
- e) Recognizing the role of women when promoting sustainable consumption.
- f) Regional indicators on sustainable consumption and production should be set up to evaluate the impact of current programs and projects.
- g) The United Nations should sponsor a worldwide evaluation of the implementation of Chapter 4 of Agenda 21, producing national reports on this question.

➤ **Public Campaigns - Concrete Measures**

The group decided to prioritize the following efforts:

- a) Create press releases published in a web site containing concise messages to journalists.

- b) Promote a marketing campaign through Television, involving MTV and other networks.
- c) Promote awareness through radio, TV, newspapers and Internet.
- d) Establish the United Nations Prize on Sustainable Consumption that should be granted in a Festival organized for such purpose.
- e) Foster discussion among journalists and media professionals and students.
- f) Promote specific training for media professionals.
- g) Create the "Sustainable Consumption Day" at the international, regional and local levels, to foster campaigns, media coverage, education initiatives.
- h) Create a reliable source of information for all stakeholders operating in the field of sustainable consumption and production.
- i) Promote general press work for NGOs to better communicate their work in the field.

➤ **Business**

The group decided that issues to be addressed in the business sector should include retail, eco-design, globalization, Free Trade Agreement of the Americas, social responsibility of advertising agencies, among others. Priorities in these areas should include:

- a) Study and promote local priorities and needs.
- b) Government should give incentives to business to foster sustainable production practices, by creating a positive tax environment, promoting sustainable procurement measures, avoiding unsustainable subsidies, promoting general education.
- c) Academia and research organizations should train and provide information for stakeholders, and particularly NGOs and business, to promote sustainable consumption and production patterns.
- d) Business should promote local and traditional knowledge and promote eco-efficiency.
- e) Multinationals should respect and foster local and traditional knowledge and promote eco-efficiency.
- f) NGOs should get involved in certification practices and measures to promote sustainable consumption.

14. General Remarks

The workshop developed in a positive environment and people were satisfied and enthusiastic at the end, indicating a real interest in establishing a long-term relation and collaboration effort.

Based on the decision to create a virtual network, a group of Brazilians, led by Patricia Almeida Ashley, with the support of Rachel Biderman Furriela, organized a discussion list operating through the yahoo web system, including all participants in the workshop, as well as other major stakeholders from the Latin American and Caribbean regions. Future names should be included in the list, at the request of the founding group. The initial moderators of this list will be Lisa Gunn, Marcelo Sodr , Patricia Almeida Ashley and Rachel Biderman Furriela.

Stefan Larenas, of Consumers International - Chile, offered to prepare the first issue of the newsletter to promote and exchange information among LAC stakeholders on the issues of sustainable consumption and production.

Diego Masera, of UNEP-ROLAC, offered a space on the UNEP-ROLAC website (www.rolac.unep.mx) to host an initial website of the LAC group formed in the workshop, to be extended in the future.

ANNEX 1: MEETING AGENDA

UNEP/CDG-CDB/UNESCO/MMA/SMA-CETESB Workshop on Sustainable Consumption for Latin America and Caribbean (Sao Paulo, Brazil, 12- 13 November, 2001)

PROGRAMME

Sunday 11 November 2001

8.00 p.m.: Welcome cocktail – Riema Poeta Drummond Flat
(address: Rua da Consolação, 3101 – Jardins)

Monday 12 November 2001

Venue of workshop: Auditorium of CETESB
(Address: Av. Prof. Frederico Hermann Júnior, 345 – Pinheiros – São Paulo – SP – Brazil)

8.30 – 9.00 am: Registration

9.00 – 10.00 a.m.: **Opening Session**

- Welcome by *Mr. Ricardo Tripoli*, Secretary of Environment of the State of São Paulo*
- Welcome by *Mr. Dráusio Barreto*, President of CETESB (Environment Sanitation Agency)
- Address by *Mr. Bas de Leeuw*, Co-ordinator, Sustainable Consumption Programme, UNEP DTIE: “Linkages between Sustainable Consumption and Cleaner Production”
- Address by *Mr. Diego Masera*, UNEP ROLAC
- Address by *Mr. Newton Pereira*, Carl Duisberg Brasil
- Presentation of agenda and objectives of the workshop by the facilitator, Mr. Bas de Leeuw

10.00 – 10:30 a.m.: Presentation of the background paper by *Mr. Diego Masera*, UNEP/ROLAC

10.30 – 11.00 a.m.: Plenary discussion: expectations, questions and answers

11.00 – 11.15 a.m.: Coffee break

11.15 – 12.00 a.m.: **Session 1: Sustainable Consumption in Latin America and Caribbean**

- Business Perspective – *Mr. Fernando Almeida*, Executive Director of the Brazilian Business Council for Sustainable Development (15 min)

- Government Perspective – Poverty alleviation and infrastructure: experiences of the Government of Amapa/Brazil - *Mr. João Alberto Capiberibe*, State of Amapa Governor (15 min)
 - Consumers Perspective – Promoting sustainable consumption, *Mr. Stefan Larenas*, Consumers International (15 min)
- 12.00 – 12:45 p.m.: **Group discussions** : Participants will be divided into groups according to the themes of interest. The theme areas will focus on (1) poverty alleviation/infrastructure, (2) consumers' responsibility and (3) business opportunities
- Key questions** : What are the priorities and strategies to foster sustainable consumption in Latin America & Caribbean? What are the tools of sustainable consumption in the region?
- 12:45 – 2.15 p.m.: Lunch
- 2.15 – 3.00 p.m.: Report back from the groups (15 min each group)
- Session 2: Exploring opportunities through Sustainable Consumption in Latin America and Caribbean**
- 3.00 – 3.30 p.m.: - Valorising the Traditional/Indigenous Knowledge, *Sr. João Paulo Capobianco*, Coordinator of Social Environmental Institute ISA
- Ecological and Social Benefits of Sustainable Agriculture, *Mr. Eduardo Ehlers*, Faculty of Environmental Education SENAC
- 3.30 – 3.45 p.m.: Questions and answers
- 3.45 – 4.00 p.m.: Coffee break
- 4.00 – 4.30 p.m.: - Certification of Organic Products, *Mr. Alexandre Harkaly*, Instituto Biodinâmico
- Sustainable Development: Sustainable Production and Consumption, *Mr. Haroldo Mattos de Lemos*, Instituto Brasil
- 4.30 – 5.00 p.m.: Questions and answers

Tuesday 13 November 2001

- Session 3: Defining strategies and responsibilities to foster Sustainable Consumption in Latin America & Caribbean**
- 9.00 – 9.15 a.m.: Introduction by the facilitator
- 9.15 – 10.00 a.m.: Business case studies

- Sustainable Product Development, *Mr. Diego Masera*, UNEP/ROLAC
 - Life cycle thinking and sustainable consumption: a paradigm shift, *Mr. Ed Klein*, Tetra Pak
 - A new corporate attitude, *Mr. Milton Seligman*, Corporate Relations Director, AmBev
- 10.00 – 10.15 a.m.: Questions and answers
- 10.15 – 10.30 a.m.: Coffee break
- 10.30 – 10.45 a.m.: **Communication strategy**
- Advertising new values, *Mrs. Christina Carvalho Pinto*, President of Full Jazz Advertising Agency
 - Communicating sustainable consumption, *Mr. Vinicius Rosada Dônola*, Journalist TV GLOBO
- 10.45 – 11.00 a.m.: Questions and answers
- 11.00 – 11.30 a.m.: **Education, training & networking strategy**
- Peruvian Youth in Action, *Ms. Mariela Canepa*, Youth Associate of UNEP Youth Advisory Council and GRUPO SAYWITE-PUCP
 - Basic education and sustainable consumption: the experience of Tribuna del Consumidores, *Mrs. Maria José Troya*, Tribuna Ecuatoriana de Consumidores y Usuarios
- 11.30 – 11.45 a.m.: Questions and answers
- 11.45 – 12.30 a.m.: **Work groups – Stakeholders responsibility**
 The participants will be divided into groups of stakeholders (governments, business, NGOs, universities & research institutes, journalists & media companies) to discuss the following key questions:
- Key questions :**
- What ‘needs’ should be further explored and what activities should be implemented to promote sustainable consumption in the Latin American and Caribbean region?
 - What actions each stakeholder should take?
 - Which partnerships can be established?
- 12.30 – 2.00 p.m.: Lunch

Session 4: Developing an Action Plan

- 2.00 – 2.15 p.m.: Establishing a framework for an action plan addressing questions on training needs, further research and governance by *Mr. Marcelo Sodré*, Professor PUC-SP
- 2.15 – 3.00 p.m.: **Work groups: recommendations**
The participants will be divided into groups of stakeholders (governments, business, NGOs, universities & research institutes, journalists & media companies) to prepare recommendations for an action plan.
- Key questions**: What actions should be taken? What should be done by whom? How to mobilise action, participation, partnerships?
- 3.00 – 4.15 p.m.: Groups presentations
- 4.15 – 4.30 p.m.: Coffee break
- 4.30 – 5.00 p.m.: Closing session
Final comments by the facilitator, *Mr. Bas de Leeuw*, UNEP/DTIE
Closing remarks, *Mr. Diego Masera*, UNEP/ROLAC

ANNEX 2: LIST OF PARTICIPANTS

OPENING SESSION

Mr. Ricardo Tripoli

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ANNEX 3: BACKGROUND PAPER



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**TOWARDS
SUSTAINABLE CONSUMPTION
IN
LATIN AMERICA
AND
THE CARIBBEAN**

by:

Diego Masera
UNEP Regional Co-ordinator
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and the Caribbean

BACKGROUND PAPER FOR THE
Workshop on Sustainable Consumption
for Latin America and the Caribbean
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12-13 November 2001

NOTE:

This paper is based on the one prepared by S. Sothi Rachagan and Rajeswari Kanniah of Consumers International Regional Office for Asia and the Pacific Kuala Lumpur, Malaysia. UNEP thanks the authors for allowing its use.

Table of Contents

Introduction

Part I: Sustainable Consumption – What it means

- 1.1 Population, Consumption and the Environment
- 1.2 Inter and Intra-generational Equity
- 1.3 Equity in Consumption

Part II: Current Consumption Patterns

- 2.1 The Globalisation Process**
- 2.2 Changes in Consumption Patterns**
- 2.3 Unequal Benefits**

Part III: Sustainable Consumption - the task ahead

- 3.1 Obligations of Governments
- 3.2 Obligations of Industry
- 3.3 Obligations of Consumers
- 3.4 Sustainable Product Development
- 3.5 New Paradigms

Conclusions

TEXT BOXES:

- 1. Inequalities of Consumption
- 2. LAC Economic and Social Situation In 2001
- 3. Consumer Prefer Socially Responsible Companies

Introduction

During the Rio Earth Summit of 1992, Sustainable Consumption was pointed as key challenge to attain sustainability and thus became the subject of Chapter 4 of Agenda 21. At almost ten years from the Rio Summit, this paper analyses the current situation in the Latin American and Caribbean region (LAC).

Ever increasing consumption is putting a strain on the environment, polluting the Earth, destroying the ecosystem and undermining lifestyles. This is a deadly side-effect of the prevailing consumption model. Such consumption is not environmentally sustainable. Poverty and deprivation are increasing at an alarming pace and disparity in income and consumption is a feature in all countries. All nations are witnessing growing inequities and in particular LAC has become one of the world most inequitable regions. Such disparities are not socially sustainable. Humans must learn to manage their consumption patterns in a equitable manner and nation must adopt environmentally and socially sustainable patterns of consumption based on improved and sustainable quality of life.

These challenges will only be met in close global partnership between the private sector, governments, and civil society. Over the last twenty-five years, there has been a gradual conceptual shift in the way the private sector approaches society's environmental concerns. From the reactive, end-of-pipe compliance approach of the 1970s, to a more public relations approach of the eighties, the private sector is increasingly orientated toward the preventive, cleaner production, eco-efficiency approach of the 1990s. A number of regulatory measures have been enacted to promote this shift to a "life-cycle" economy. Additional economic instruments and institutional approaches have been adopted - and are still needed - to re-orient markets towards this economy and sustainability.

During the analysis we will see that a major difficulty is how to promote sustainable consumption within a market economy that selects products and processes not on the basis of environmental criteria, but on the basis of economic profitability.

The paper first traces the development of the term sustainable consumption and argues that the equity it calls for is not only inter and intra-generational but also, equity between nations. The paper briefly traces the progress made to date and then identifies the obligations for sustainable consumption of government, the corporate sector and consumers.

Finally, several options out of this dilemma are being presented in this paper, from new industrial development models, shifting from products to services to integrated product policies.

Part I: Sustainable Consumption – What it means.

The term 'sustainable consumption' has its origins in the term "sustainable development". The most often quoted definition of sustainable development is that of the Brundtland Commission: *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"* (WCED, 1987:43).

Consumption on the contrary, is not a well defined concept but in a wider sense it represents the total amount of resources extracted from the environment. These resources are used partly for economic purposes, but the larger share is immediately disposed as waste. The most widely spread definition of consumption is based on the economic understanding that all products are produced to meet the demands of consumers, where household consumption, state consumption, intermediate use and storage and exports are considered as elements of the final demand.(Spangenberg 2001)

The Earth Summit's Rio Declaration on Environment and Development (1992) made the link between sustainable development and consumption in Principle 8: *"To achieve sustainable development and a higher quality of life for all people, states should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies."*

This idea of unsustainable production and consumption is further elaborated in Chapter 4 of Agenda 21, the blueprint produced at the Earth Summit: *"We must consider the need for new concepts of wealth and prosperity, which not only allows higher standards of living through changed lifestyles but which are also less dependent on the Earth's finite resources, and more in harmony with the earth's carrying capacity."*

Chapter 4, Agenda 21 identifies that: *"...the major cause of continued deterioration of the global environment is the unsustainable patterns of consumption and production, particularly in the industrialised countries..."* and states that: *"...achieving sustainable development will require both efficiency in production processes as well as changes in consumption patterns...in many instances, this will require a reorientation of existing production processes and consumption patterns, which have predominantly emerged from developed countries and which are being increasingly emulated in much of the world, including developing countries..."*

Though the documents cited above use the term 'sustainable consumption' none provide a definition of it.

The United Nations Guidelines for Consumer Protection was expanded in 1999 to include a chapter on sustainable consumption and Clause 42 of the thus amended Guidelines takes a step towards defining sustainable consumption:

"Sustainable consumption includes meeting the needs of present and future generations for goods and services in ways that are economically, socially and environmentally sustainable."

For clarity it is necessary to distinguish between consumption of products and services to meet current wants and needs, and the consumption of resources. The consumption of resources refers to the extent to which materials and energy are used and the assimilative capacity of the environment to deal with waste. The extent to which we use resources (a term that includes materials, energy and assimilative capacity) in the act of consumption depends on the ratio of resource use to production and consumption. The 'energy intensity of consumption' is an example of such a ratio.

The reason that the distinction is important is that consumption can rise while the ratio of resources to consumption can fall at the same time. The extent to which total resource use rises then depends on whether the ratio falls faster than the rises in the level of consumption (David Pearce, 1994). Obviously, the critical factor in sustainable consumption is not consumption per se but the amount of energy and resource used that it occasions.

For the reasons cited above, our preferred choice of a working definition for the term sustainable consumption is that proposed by the Oslo Symposium in 1994 and adopted by the third session of the Commission for Sustainable Development (CSD III) in 1995; sustainable consumption was defined as:

“the use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardise the needs of future generations.”

The 1995 Oslo Round Table on Sustainable Production and Consumption gave more clarity to the term:

“Sustainable consumption is an umbrella term that brings together a number of key issues, such as meeting needs, enhancing the quality of life, improving resource efficiency, increasing the use of renewal energy sources, minimising waste, taking a life cycle perspective and taking into account the equity dimension. Integrating these component parts is the central question of how to provide the same or better services to meet the basic requirements of life and the aspirations for improvement for both current and future generations, while continually reducing environmental damage and risks to human health. A key issue is therefore the extent to which necessary improvements in environmental quality can be achieved through the substitution of more efficient and less polluting goods and services (patterns of consumption), rather than through reductions in the volumes of goods and services consumed (levels of consumption). Political reality in democratic societies is such that it will be much easier to change consumption patterns than consumption volumes, although both issues need to be addressed.”
(www.iisd.ca/linkages/consume/oslo004.html)

1.1 Population, Consumption and the Environment

Population increases bring with it greater consumption pressure. The consumption needs of the added populations will have to be catered for. Urban populations everywhere consume more resources than their rural counterparts. The LAC region is an area of rapid urbanisation, over 75% of the population in the region lives in cities and in some countries more than 80%. The expansion of megalopolis is a common issue in the region (Santiago, Buenos Aires, Mexico City etc).

The level of consumption, however, is not dependent on total population only. More significant to the level of consumption is the intensity of resource utilisation. Population and consumption are two interactive sides of man's impact on the environment. Indeed, overpopulation is the over-consumption of environmental goods and that over-consumption may be the result of too many humans contending over a limited resource base or an economic elite using that resource base excessively and abusively to the detriment of the poor, future generations, and non-humankind. As explained by James A. Nash:

"Overpopulation is not determined by numbers alone, but rather by numbers times the per capita consumption...of natural resources by each number - as well as by other factors in the case of human populations, such as the structures of distribution and the types of technology. Thus, on the one hand, a numerically large human population might be sustainable with modest or light consumption of environmental resources... On the other hand, a numerically small population of high producers and consumers is overpopulated when it exceeds key limits of its environment... The dynamic duo of overpopulation and over-consumption is a prime example of one of the fundamental failures at the roots of the ecological crisis: the failure to adapt to the limiting conditions of life, in this case the planet's carrying capacity." (www.cedpa.org/trainprog/ifc/pewnash.htm)

A study by WWF analyses global consumption patterns to calculate consumption pressure– a measure of the burden placed on the environment by humanity. Resource consumption and pollution data are analysed in an attempt to quantify the burden on natural ecosystems by consumers. The results show how countries and regions compare in terms of their per capita and national consumption pressure. (see Figure 1 and 2).

Figure 1 Consumption Pressure : A measure of the burden placed on the environment by people, 1995

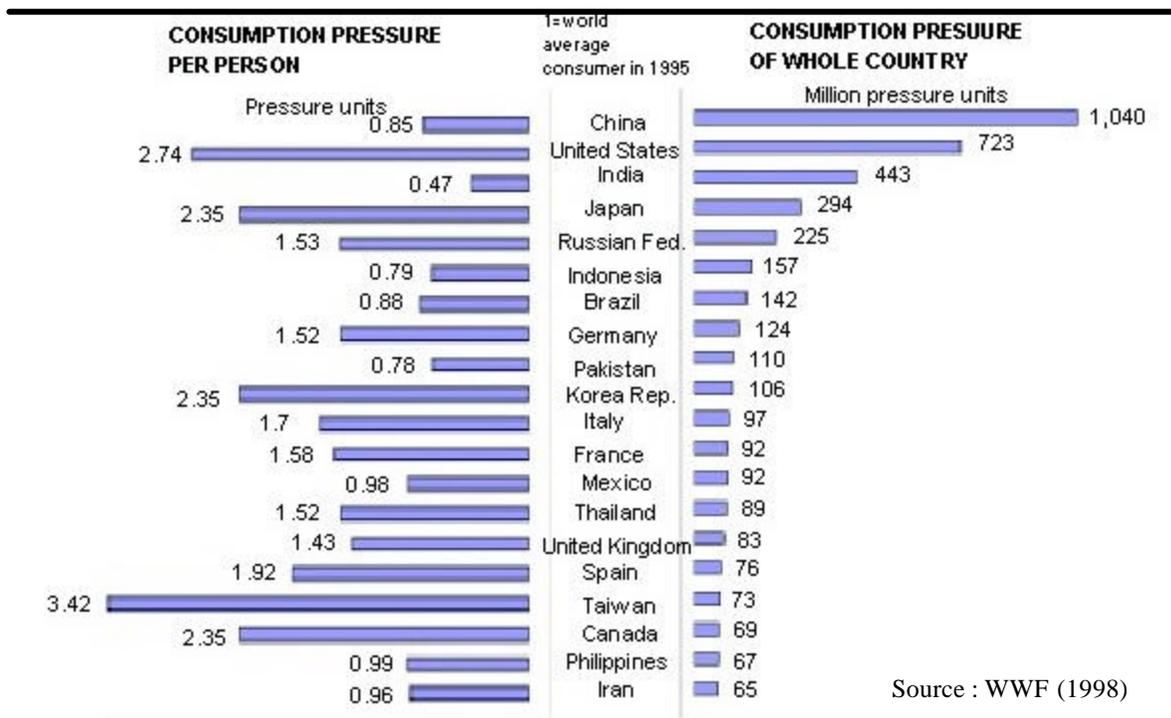
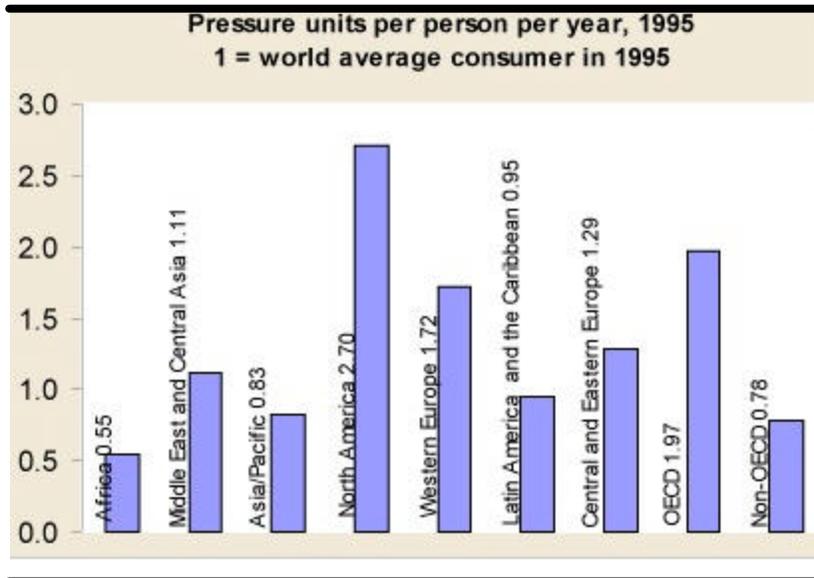


Figure 2 : Consumption Pressure by Region



Source : WWF (1998)

1.2 *Inter and Intra-generational Equity*

Until recently, it was thought that the future was going to bring better standards of living to a greater number of people due to the unlimited capacities of technological developments, however there is now evidence that the changes in the global climate, extinction of species, degradation of ecosystems and the problems caused by radioactive waste as well as persistent organic pollutants brought by the current consumption model, seriously limit the opportunities of future generation.

An integral part of the concept of sustainability are the concepts of intergenerational and intra-generational equity, the first concept that calls upon us to view the earth and its resources not only as an investment opportunity but as a trust, passed to us by our ancestors, to be enjoyed and passed to our descendants for their use. The second one refers to inequalities within different segments of the same generation, where the poorest segments suffer in greater measure the impacts and consequences of environmental degradation and are more vulnerable to disasters.

1.3 *Equity in Consumption*

The paper throughout employs the terms 'North' and 'South'. The terms North and South, largely correlate to 'developed' and 'developing' as used in development literature, but with a very important distinction. There exists in developing countries a section of the population that has a standard of living, and even lifestyles, similar to, if not even more lavish, than that of the populations of the developed countries. One estimate suggests that by 1996, the emerging middle class of China, India, Venezuela, Brazil, Argentina, South Korea, Taiwan, Indonesia, Malaysia and Thailand amounted to roughly 750 million, almost as many of the 880 million in the industrialised

countries. Already the richest fifth of Chileans and Malaysians enjoy higher incomes than the average German or Japanese (Richard Barnett and John Cavanagh, 1994).

Conversely, in countries termed developed, there live many below the poverty line. The worlds richest nations are home to 100 million people who live below the poverty line, an equal number are homeless, at least 37 million are unemployed, and 34 million are undernourished (FAO 2000).

The foremost concern of any consumption policy must surely be meeting the consumption needs of the current poor – feeding, clothing, housing, educating, and healing the ill among the poverty stricken of the world. It is meaningless to talk about consumption that is sustainable, when the basic and primary current consumption needs of society are not yet met. It is important that we do not forget the magnitude of the task at hand.

The LAC region is especially significant for any discussion of sustainable consumption. LAC counts with the largest arable reserves of land in the world and important sources of sweet water. However, in LAC 240 million people living below the poverty line and the top 20% of the population has incomes 19 times higher than the bottom 20% of the population, this makes LAC among the most inequitable regions in the world.

It is paradoxical that a region that has abundant resources and is consuming its resources rapidly is still unable to provide a decent living for the majority of its inhabitants.

The pressure of consumption affects the poor more than the rich. The rich contribute more, with larger shares in outdoor pollution, global warming, acid rain and toxics. But the poor bear the brunt in loss of lives and risks to health from pollution and toxics – and in loss of livelihoods from soil degradation, desertification, deforestation and biodiversity loss. And among the poor, women face greater risks largely because of their social and economic roles (UNDP, 1998).

Inequalities in Consumption

- Nearly 1.3 billion people live on less than 1 US dollar a day and close to 1 billion cannot meet their basic consumption requirements. In LAC 240 million people living below the poverty line. The share in global income of the richest fifth of the world's people is 74 times that of the poorest fifth.
- About 840 million people are malnourished. The overall consumption of the richest fifth of the world's population is 16 times that of the poorest fifth;
- Nearly 160 million children are malnourished. More than 250 million children are working as child labourers;
- More than 880 million people lack access to health services and about 17 million die each year from such curable infectious and parasitic diseases as diarrhoea, measles, malaria and tuberculosis.
- Of the 4.4 billion people in developing countries, nearly 1.5 billion lack access to sanitation and clean water, 1 billion do not have adequate housing, and 2.6 billion lack access to basic sanitation.
- In 1997, more than 850 million adults were illiterate. More than 260 million children are out of school at the primary and secondary level.
- 2 billion people lack access to commercial energy such as electricity. (UNDP, 1998; 1999)

Sustainable consumption advocates are alarmed that the consumption patterns of the North are being replicated and emulated in the South. Such replication, it is contended, is untenable. The world will not be able to sustain itself if the South mirrors the resource use of the North:

One-fifth of the world's population in the North account for:
86% of the world's expenditure on consumption;
46% of all meat;
65% of all electricity;
84% of all paper;
85% of all metals and chemicals; and
70% of carbon dioxide emissions.

QUESTIONS FOR DISCUSSION:

What should be the main areas of focus for sustainable consumption programmes in Latin America and the Caribbean?

Part II: Current Consumption Patterns

2.1 *The Globalisation Process*

The term globalisation as frequently used includes two totally different phenomena. The first is the shrinkage in space and in time that the world has experienced in consequence of the technological revolutions in transport, communications and information processing. Communication patterns and economic activity, consequently, exhibit more 'global' characteristics, and less 'national' and 'local'.

The second usage of the term globalisation relates to the opening up and liberalisation of the economy to market forces. Whilst there is really no choice with regards to the technological revolution, the degree to which external liberalisation and reliance on the marketplace are to occur are matters of choice that individuals, firms, governments and NGOs make. The effects of liberalisation and opening up are not agreed and certainly not uniform for all places and times. For the LAC region a critical challenge for the near future will be to 'domesticate' the globalization process, to model and steer the process for the benefit of the majority of the population, by for example reducing its dependency on high pollutant and natural resource intensive industries.

The process of economic globalisation is not new. In the past centuries the interests of trade saw the birth of such global corporations as the English and Dutch East India Companies that traded and then colonised much of Asia. Their counterparts went to other continents. Over the past quarter of a century however, we have witnessed a very significant quantitative and qualitative change in the economic globalisation process. This has been brought about by both the technological revolution in transport, communications and information processing and by the liberalization of economies and a reliance on market forces.

The most important aspects of economic globalisation are the breaking down of national economic barriers; the international spread of trade, financial and production activities, and the growing power of transnational corporations and international financial institutions in these processes (Martin Khor, 2000).

2.2 *Changes in Consumption Patterns*

It is clear that sustainable development will require a substantial increase in efficiency of resource and energy use (referred as factor x as no one really knows the magnitude of the change required) and a commensurate reduction in pollution and other environmental damage. Present consumption levels are causing serious environmental problems as it was highlighted on Chapter 4 of Agenda 21. The Rio +5 conference in New York reinforced the need to develop more sustainable patterns of consumption and production. One of the outputs was an initiative on eco-efficiency with a target of achieving a factor 10 level of productivity improvement in the long term with a factor 4 increase among industrialized countries in 20-30 years starting from 1997. The new goal is to create more wealth while consuming considerably fewer resources.

An important obstacle to achieving the proposed factors of efficiency relates to the fact that the existing economic system does not take into account the wider environmental, ethical and social factors of both consumption and production. There is therefore a need for a more holistic and inclusive costing mechanism.

In 2000, UNEP conducted a small study on global consumption patterns. These can be directly correlated with the pressures facing the environment. With an unprecedented growth in the number of middle to upper income consumers the challenge remains to internalise an environmental consciousness into the production and consumption cycles and focus on the implementation of a life cycle economy. An interaction with over 700 global consumers from six global cities clearly highlights similarities in both current consumption patterns and expectations for the future. Consumers are calling for change and seem poised to support and accept viable initiatives that will reorient consumption patterns towards sustainability. (UNEP, I& E Review 2000 Please see attached article)

The key tools will be cultural leverage- sustainability values that are appealing to people who will apply them in order to increase their own quality of life. (Stahel 2001)

UNEP consider that sustainable consumption provides opportunities for economic and social development in developing countries, thus provides an important framework for change. In Berlin October 1999, UNEP together with CDG organised a conference looking at the opportunities that can be identified through sustainable consumption and production, and the training needs that need to be addressed to achieve this. This was the first time stakeholders from both North and South came together to discuss. One important element in these workshops have been to identify training needs to develop material and training courses that reflects preparatory needs for different stakeholders to take advantage of the opportunities that lie before. There is a need for business and governments in developing countries to develop tools and strategies to enforce sustainable consumption and production patterns based on their own terms.

Information plays a central role in changing consumption patterns, indeed the rapid growth in access to information and communications tools to consumers in the LAC has revolutionised access to consumer goods and services. Bill board, radio, television, cinema and internet advertising have all grown greatly. Products and services from all corners of the globe are being increasingly promoted and influence the consumption patterns of millions of consumers in the developing countries of the LAC.

Global advertising has increased seven-fold since 1950 predominantly in Europe, North America and Japan. However, recent growth in developing countries has been spectacular and in the 1980s and 1990s the fastest growth was attained in Asia and Latin America. Whilst in 1986 only 3 developing countries were included among the 20 biggest spenders in advertising, by 1996 there were 9. This local expenditure is principally by the local subsidiaries of multinational corporations. Consumers have been inundated with media messages. The media and corporate marketing are the drivers of a globalisation of desire and thus have an important role to play in changing the current unsustainable consumption patterns.

One fortunate outcome of the globalisation of communications is the immense potential it offers to raise awareness, mobilise people and build alliances among disparate groups throughout the world to counter the negative consequences of globalisation and other injustices.

In this regard, UNEP has been working in collaboration with the advertising and marketing industry to implement and promote the Advertising and Communication Initiative that aims to:

- Work together to raise general awareness on sustainable consumption
- Use communication skills and techniques to promote sustainable consumption patterns
- Promote products, services and campaigns that foster sustainable consumption
- Pursue the best practice in environmental management

- Inform and inspire each other through workshops, meetings, publications, websites, etc.

A second important initiative that UNEP carried out, was to open a dialogue with youth and understand what they know/think about sustainable consumption and what they expect from their own future. This was done by means of a survey "Is the future yours" distributed in co-operation with UNESCO to around 15000 youth in 24 countries.

UNEP's work with youth (18-25) started in February 1999 as part of our Sustainable Consumption activities and looks at youth as:

- 1) consumers /citizens
- 2) decision makers in their professional life
- 3) political actors

Young people are not only actors on the market but they are also students or already professionals. UNEP is therefore interested in youth as future decision-makers in the private or in the public sector. They were asked: is sustainability integrated in their operative knowledge? Do curricula economy or engineering cover also environmental and social issues and viceversa? Does academia co-operate with other stakeholders (business-local community) to offer a practical, solution-oriented education?

Youth are becoming at all effects actors in the political arena both at national and international level. UNEP intends to facilitate and endorse this shift by involving youth in international meetings about sustainable Production and Consumption. This allows youth to express themselves on key sustainable development issues and gain visibility as stakeholders in the international debate.

2.3 *Unequal Benefits*

International trade has grown globally. This growth has been due largely to the multilateral trading system put in place at Bretton Woods and which has in successive rounds of negotiations sought to reduce tariffs. The most consistently far-reaching changes were made in the Uruguay Round which resulted in the WTO. It was held that the Uruguay Round would benefit the poor countries and they were induced and coerced to become parties to the resultant agreements. But the fact is the anticipated benefits for less developed countries from trade liberalisation have not materialised.

The poorest countries have seen their export earnings drop between 2.6% and 5% each year of the Uruguay Round. They will lose an estimated USD163 billion to USD265 billion in export earnings while paying USD145 million to USD292 million more for food imports (Chakravathi Raghavan).

LAC Economic and Social Situation in 2001

- Economic growth of 3.2% annually, between 1990 and 2000
- Poverty Growth: 224 million of persons in 1999 (12%)
- Increased inequity:
 - 20% > income = 19
 - 20% < income = 1
- Increased unemployment and informality
- Lower real salary value
- 500,000 professional left the region
- Increased External Debt
- Economic Model based on the intensive exploitation of natural resources
- Increased export level of pollutant industries (steel, aluminium, copper)
- LAC region exports the following items:
 - Minerals
 - Agricultural products
 - Wood
 - Fish
 - Other products from the “maquila” with only 3% of national inputs
- Production of low added value products

Source (Masera 2001b)

The UNDP Human Development Report 1999 puts it in graphic terms:

“...the top fifth of the world’s people in the richest countries enjoy 82% of the expanding export trade and 68% of foreign direct investment, while the bottom fifth only gathers barely more than 1%.”

Income inequality has increased in recent years and it coincides with the liberalisation of trade around the world. Having to liberalise their industrial, services and agriculture sectors have caused dislocation to the local sectors, firms and farms of many less developed countries as these are generally small or medium sized and unable to compete with bigger foreign companies or cheaper imports. UNCTAD studies have found that in developing countries which had undertaken rapid liberalisation, wage inequality increases, most often in the context of declining industrial employment of unskilled workers and large absolute falls in the real wages. UNCTAD reports that growth in the developing world needs to reach 6% per year to close the income gap with industrialised nations (UNCTAD, 1998).

Perhaps the most marked effect of economic globalisation is the income inequalities it occasions - income inequalities between the countries of the North and the South and between the North and South in each country. The income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in

1960. The world's 200 richest people more than doubled their net worth in the four years to 1998, to more than US\$1 trillion (UNDP, 1999).

The political and international trade aspects of the sustainable consumption debate need to be addressed as much as the environmental dimension.

QUESTIONS FOR DISCUSSION:

1. How can governments, corporations and consumer organisations use the new communication and information technologies to educate consumers on the remedial measures for sustainable consumption?
2. How can the region 'domesticate' and guide the globalization process for the benefit of the majority?

Part III: Sustainable Consumption: the task ahead

Narrowing the consumption gap between the rich and the poor is obviously a key international priority. There is also a growing consensus that developing countries need not follow the path taken by the North. There is a real opportunity for the developing world to leapfrog to growth patterns that are good for the environment and rise from poverty.

As DTIE Director Jacqueline Aloisi de Larderel pointed out at the Berlin business opportunities meeting:

“Developing countries as well as industries viewed the sustainable consumption program with scepticism....But for developing countries sustainable consumption does not mean not consuming. It means quite the contrary, namely leap-frogging. It means achieving a better quality of life for all, it means sharing between the richer and the poorer.... Industries fear losing markets. In reality, sustainable consumption will bring new business opportunities. The use of tools such as life-cycle assessment and eco-labelling should help identify such opportunities.” (UNEP 2001)

On the bright side, UNDP reports that the efforts made to contain the environmental impacts of modern consumption growth and patterns have been positive. First, growth in the use of materials resources has slowed as a result of shifts in demand towards less material-intensive products such as services. Technological innovations have led to improved efficiency in energy and material use. Recycling rates for many key raw materials have increased, and bulk materials have been progressively replaced by lighter materials. World demand for metals and minerals rose by 12% between 1961 and 1990, but the growth rate has declined - from 6% in the 1960s to 2% in the 1990s. Material use has begun to grow more slowly than the global economy – thus there has been dematerialisation. Per capita use of steel, timber and even copper, for example, has stabilised or even declined in OECD countries (UNDP, 1998: 58).

Second, emissions have been brought under control with tighter regulations and incentives. Shifting to cleaner technologies and switching away from sulphur-heavy solid fuels towards oil and natural gas have led to sharp declines in sulphur emissions. Pollution loads from pulp and paper-making have been dramatically reduced at many large mills with the advent of non-chlorine bleaching processes and strict environmental regulation.

These trends are promising, but there is still a long way to go. If current trends in consumption patterns continue unabated, global environmental pollution will increase and the degradation of the earth's renewable resource base will accelerate.

The global economy over the next 50 years will need to respond to the challenges of both the inner limit of sustainability (inequality) and the outer limit of sustainability (environmental stress). It will need to adjust to a different pattern of consumption growth, achieving faster consumption growth and enhanced human development in the poorer countries and improved income distribution within all countries but most importantly, it needs to look for a better quality of life for ALL.

3.1 *Obligations of Governments*

Agenda 21 and the UN Guidelines for Consumer Protection have identified the obligations of governments in three main areas:

- Minimising resource utilisation: for example by greater efficiency in the use of energy and resources, by minimising waste generation, and by sound pricing.
- Exercising leadership as governments: for example, by ensuring sustainable government procurement policies, by enforcing regulations, and economic and social instruments, and by sectoral policies in such areas as land use, transport, energy and housing.
- Reinforcing values: for example, by education and information programmes for consumers in such matters as the environmental impacts of consumer choices and behaviour, efficient use of materials, energy and water, and of recycling.

The complexity of sustainable consumption requires an integrated approach in policy design that include regulatory, economic and social elements. Regulations to restrict environmentally harmful activities, and taxation (i.e. Resource extraction, product and emission taxes) to support cleaner and more efficient alternatives and reduce harmful consumption through pricing, will continue to be crucial government roles in the future.

Governments should support research to establish accurate information on consumption patterns and levels to inform both industry and consumers. They should contribute to the establishment of benchmarks and targets on operational efficiency of products and services and of companies and specific sectors in collaboration with industries.

An important role of Governments is the promotion and facilitation of clean technology development, its transference and adoption. Bilateral cooperation and the assistance of international finance institutions will be essential to make this possible in LAC.

As consumers themselves, governments should promote to changing consumption patterns by developing their own internal consumption and procurement environmental consumption programmes.

“One industrial reform which governments can enact, using both legislative and economic approaches, is internalisation of costs –that is making the producer pay for the full price of production (with environmental and social damage included), which will be reflected in [the final product] costs.” (UNEP 2001)

QUESTIONS FOR DISCUSSION:

How can we promote the inclusion of sustainable consumption in the national policies?

Which countries need assistance and what is the nature of assistance required?

How can the impact of the measures undertaken by governments in this region on sustainable consumption be assessed?

3.2 *Obligations of Industry*

The increased visibility of environmental issues, calls for disclosure of environmental performance, shareholder activism for socially responsible investing, increased standards and incentives by governments, requirements for extended product responsibility, and very importantly, enlightened leadership have all forced corporations to address the issue of sustainable development.

There are increasing signs that in recent years, companies of all sizes and sectors have realised a wide range of both tangible and intangible benefits from taking into account environmental considerations. These benefits include:

- **Improved Financial Performance:** Studies have repeatedly shown a consistently positive correlation between superior environmental performance within several industry sectors and superior financial performance. Winning contracts and investment taking the environment into consideration, approval in emerging markets and lowering borrowing and insurance costs have all been occasioned by better environmental performance.
- **Decreased Costs:** Reduced costs through waste reduction, energy efficiency, pollution prevention and resource productivity.
- **Innovation:** Inside companies and among their suppliers innovation has occurred by applying environmental principles to the design and production of products. In some cases, this has led to more efficient practices or entirely new products.
- **Asset Retention:** The value of the assets embedded in products have been recaptured by leasing them rather than selling them, thereby increasing profits while selling less product; or by designing parts that are intended to be removed from a used machine, refurbishing them and then using them in a newer model.
- **Improved workers' productivity and reduced errors and defects:** By incorporating environmental features into the workplace (<http://www.bsr.org>).

Consumers Prefer Socially Responsible Companies

- According to the Millennium Poll on Social Responsibility, 60% of 25,000 consumers in 23 countries expect businesses to tackle various environmental and social issues such as fair labour practices, business ethics and environmental cleanup in addition to being profitable and providing jobs (Ottman, 2001).
- In a MORI study amongst the general public in 12 European countries - Belgium, Denmark, France, Germany, Great Britain, Italy, Netherlands, Portugal, Spain, Sweden and Switzerland, 70% said that a company's commitment to social responsibility is important when buying a product or service, and 40% would be willing to pay more for products that are socially and environmentally responsible (Corporate Social Responsibility Europe, 2000.)

The corporate response was initially focused on the production side, that is in reducing waste, and improving process and product design through eco-efficiency. More recently companies have used environmental responsibility as a means of enhancing their reputation or brand image, which, in turn, has been shown both to increase sales and to attract investment capital and trading partners. The role played by consumer magazines which provide comparative information on energy consumption, recyclability and reduced use of hazardous materials of the products they evaluate and changing consumer behaviour no doubt serve to spur developments in this direction.

Four fundamental principles can help companies address the challenges associated with measuring and reporting:

- Address the dual perspectives of resource consumption and value creation
- Include economic, environmental and societal aspects of their work
- Systematically consider each stage in the product life-cycle
- Develop leading and lagging indicators of product performance. (Fiksel 2001)

A recent report of the World Business Council for Sustainable Consumption (WBCSD, April 2001, propose taking a holistic approach by the market to advance sustainability in which supply and demand are viewed as being part of a single system rather than separate entities. (http://www.wbcscd.ch/projects/pr_marketsust.htm).

WBCSD has proposed a seven-point blueprint for corporations:

- Develop technological and social innovations to improve quality of life and tackle depletion of resources;
- Practice eco-efficiency to create more value with less impact, growing qualitatively, not quantitatively.
- Build alliances and move towards partnerships for progress based on common goals, empathy, open feedback, flexibility, ability to compromise, and sharing rewards.
- Provide and inform consumer choice - resulting in improved quality of life, reduced adverse environmental and social impacts and increased market share of sustainability minded companies. The media and advertising can be used to promote sustainability messages but there is no point in advertising eco-efficient living if eco-efficient products and services are not there to sustain it.
- Improve market conditions - sustainability is hindered by monopolies, corruption, perverse subsidies and prices that do not reflect real economic, social and environmental costs. Legislation and regulations should promote competition, effective intellectual and physical property rights, reliable contractual terms, fair and transparent accounting standards, accountability for government intervention, freedom and democracy and full-cost pricing of goods and services.
- Establish the worth of the Earth - the market system needs accurate and timely price signals so that resources are not wasted and future opportunities squandered. Proper valuation will help maintain the diversity of species, habitats and ecosystems, conserve natural resources, preserve the integrity of natural cycles and prevent the build-up of toxic substances in the environment.
- Make the market work for everyone - poverty is one of the single largest barrier to achieving sustainability through the market. Companies must create more opportunities for the poorest. Making the market work for everyone involves two basic measures: enabling access to effective markets and spreading consumer purchasing power.

There is a need to generate more accurate and comprehensive reports from industries in LAC in terms of social and environmental performance. Generation of such data will not only reveal the current response, it will serve to move corporations in the region to improve their record.

In the area of *Product Efficiency and beyond* 'end-of-pipe' approach four methodologies stand out as being particularly promising:

- Sustainable Product Development.
- LCA (Life-Cycle Assessment).
- EPR (Extended Producer Responsibility).

- IPP (Integrated Product Policy).

Each of these four approaches addresses the claims of corporate, social and individual stakeholders involved in the chain of production, and takes product policy beyond the realm of material efficiency into the sphere of social protection and development. Each approach concentrates on the supply-side of the economy, and in particular on the actions of industry. In all four, the role of governments is less central, and the role of the consumer (accepting new products and services) is to some extent taken for granted. (UNEP 2001)

On the side of *Process Efficiency*, of the entire industry production cycle, two main methodologies stand out:

- Cleaner Production.
- Eco-Efficiency.

With regards to Cleaner Production, UNEP has been its main promoter, holding High-Level Seminars at periodic intervals to promote the concepts and practice, producing a variety of training and information documents, and holding capacity-building events around the world. At 'CP5', the fifth UNEP High Level Seminar on Cleaner Production, which was held in Seoul, Republic of Korea, in October 1998, UNEP launched its *International Declaration on Cleaner Production*. The declaration encourages sustainable production and consumption practices. Furthermore, it calls attention to the need for creating innovative solutions for cleaner production "by supporting the development of products and services which are environmentally efficient and that meet consumer needs" (UNEP 2001). In LAC UNEP helped in establishing Cleaner Production Centres in several countries in the region and provides continuous technical support to them.

QUESTIONS FOR DISCUSSION:

1. How responsive to the environmental challenge are industries in LAC?
2. How prevalent is the trend for companies to pay attention to issues of sustainable consumption?
3. What extra-legal mechanisms (disclosure of environmental performance, shareholder activism, etc) exist to ensure that industries pay attention to issues of sustainable consumption and production?
4. How can SC be promoted and included among MSEs?
5. What should be the role of the industry sector in SC?

3.3 *Obligations of Consumers*

There are signs of a change in consumer consciousness, a change that became manifest in the green consumerism movement. The collective power of consumer buying decisions can be a major force for change in market economies. Green consumerism meant to harness that power. Manufacturers in many developed countries have responded by introducing many new and "greener" products. Companies have used environmental responsibility as a means to enhance their reputation and brand image, which in turn has increased their sales and attracted investment capital and trading partners. In the Netherlands for example, ITT Nokia's market share for 24-inch televisions increased by 57% and their gross revenue by 73% in the month after a consumer magazine rated their products as a "best buy", based partly on energy consumption, recyclability and reduced use of hazardous

materials. In the US, consumers spend about US\$110 billion annually on products they identify as "socially or environmentally progressive" (<http://www.bsr.org>).

Green consumerism is by and large seen as the response of the Northern consumer movement to the sustainable consumption debate. There has not been the same enthusiasm from the consumer organisations of the South and little data exists of any altered attitudes and willingness to alter behaviour on the part of consumers in the LAC.

Consumer groups of the LAC have to make a greater commitment to the sustainable consumption drive. However, they have to critically appraise the success of the green consumerism thrust of the North and devise strategies that will address the fundamental issues of sustainable consumption.

The message of green consumerism of the North is not to consume less but to consume better. It did not result in any significant change in consumption behaviour beyond occasional concern with the health and environmental consequences of shopping decisions. The movement did not go beyond the marketplace to address the socio-economic and environmental impacts of the life cycle of products, or with their associated political or institutional change, a fact borne out in a survey conducted by the Consumers Association of UK that concludes "the possibilities for direct action are seen as lying more in shopping than in political action...".

Public acclamation of concern for the environment does not necessarily translate significantly into sustained changes in consumer behaviour. Consumers may be willing to take easy steps that benefit the environment; but may not make significant changes in buying habits, pay markedly higher costs, or make changes in basic lifestyle. Yet sustainable consumption calls for such effective approaches. Consumer conscience has to be sufficiently modified such as to effect changes in behaviour. This is the ultimate challenge for the consumer movement. Consumers have to be convinced that when they vote with their pocket they are in fact exercising a social, moral and political responsibility that goes beyond their own parochial interests and their present generation.

A commitment to sustainable consumption will mean that consumer organisations of the South have to move away from merely providing comparative information on goods and services, to educating consumers about the impact of their choices on their environment in the long term and on future generations.

A particularly difficult conflict for consumers and consumer organisations to resolve, especially in developing countries, is the issue of prices. Consumer organisations have traditionally fought to ensure that consumers get the best value for money. They may now find it contradictory to argue that the best energy-conserving policy is to let fuel prices rise. For low income consumers, even a small increase in prices would impact adversely on their livelihood. The right balance has to be found between the wants and needs of individual consumers, between rich and poor consumers, and the collective good of humanity and the planet, a complicated issue for consumer organisations to grapple with. In pricing, value for money is just one consideration, more critical and considerations of equity and distributive justice.

Consumers can engage in creative, collaborative consuming such as 'Product Sharing', 'Local co-operative shopping', 'Product Saving' and 'Bioregionalism', without any reduced standard of living. A concrete example of the first new consumption mechanisms are: Car-pooling and car-sharing, two models which are rapidly becoming attractive and realistic options for neighbourhoods and groups of families with busy schedules, confronted with congested streets and limited parking spaces in Europe. The Swiss 'Mobility' car-sharing scheme now has 15,000 members, with one car per 20 members.

Finally and beyond the responsibility of conscious consumption, consumers and consumer organisations must insist on fair distribution of the costs of the changes that inevitably must occur on the path to a sustainable society. Not all costs need to be passed on to the consumer. A balance needs to be struck between the need to change consumer behaviour with price and the 'polluter-pays' principle which will prompt innovation and efficiency in the search for less damaging technologies.

QUESTIONS FOR DISCUSSION:

1. How conscious are consumers of LAC of the need for sustainable consumption?
2. Are those conscious of that need expressing their concern in their consumption behaviour?
3. What approaches need to be taken by consumer organisations in LAC to adopt consumption behaviour that is ecologically responsible and consonant with and the need for sustainable consumption?

3.4 Sustainable Product Development (SPD)

A critical element for achieving sustainable consumption is the availability of products and services designed with a sustainable focus in mind. This is particularly important in the LAC region where most consumers have limited choices.

Product development and sustainability is a recent combination of terms that evolves from the recognition of the importance that design, manufacturing activities, the choice of materials, the type of products, their use and final disposal among other elements have in the environment and in our future. The recognition of a single global environment in which all activities are inter-related and affecting each other has brought researchers to an in-depth analysis of the importance of the design process and its relation to the environmental impact of products. This analysis has led towards the search of more fundamental changes at design, production and user level aiming at sustainable development

Most of the current focus is on reducing the problems of current products such as improving energy efficiency in washing machines; making products easy to disassemble for re-manufacturing to avoid waste problems; minimising the amount of materials used in packaging.

However, there is also increasingly serious and mainstream discussion of how we can make progress towards more fundamental changes... (Marzano, 1996).

SPD is the process which creates products designs that are sustainable in terms of the environment and resource-use whilst considering the need for the product. Is the process of planning and designing that integrates the following elements into a product:

Resource-use Efficiency: in terms of both energy and materials used in the manufacturing, the component's production and the user phase. It also includes the selection of materials,

favouring the use of local, renewable, recycled and low energy materials and avoiding those which are scarce or toxic materials.

Product Quality: includes the use, need and function of the product, the durability, optimal life span, energy efficiency, proper use of materials and finishing.

Production Organisation and Efficiency: includes optimised human and technical manufacturing processes in terms of resources, labour and machinery, and the use and development of appropriate technologies and renewable energy.

Local Culture and Capacities: includes the understanding and application of local culture and indigenous knowledge, local people's needs, traditions, tastes and capacities (technical and economic) throughout the whole process. Use of local products and favouring local consumption.

Market: includes the analysis and search of market opportunities that can make the process economically sustainable.

'End of life': includes considerations regarding the possible reuse, disassembly, recycling and final disposal of the products.

In summary, SPD considers the intensity and optimisation of resource-use for product design, while involving local culture and tastes, the overall production efficiency while simultaneously improving the product's quality to increase market opportunities. The incorporation of the long-term environmental, social and economic implications to each step of the process gives it a new dimension in terms of sustainability. (Masera 2001a)

Unlike in developed countries where is a strong consumer and legal pressure to move towards sustainable consumption and the use of SPD, in the LAC region the need for SPD comes from the producers, in particular micro and small entrepreneurs that are witnessing a rapid depletion of their environment and sources of raw materials.

QUESTIONS FOR DISCUSSION:

1. How can SPD be introduced and disseminated among the industry sector and in particular the MSEs in the region?
2. What strategies should be followed to increase the number and availability of environmentally sound products?

3.4 *New Paradigms*

A critical factor to attain sustainable consumption remains the establishment of a suitable and acceptable replacement for the current consumption model that should bring improved quality of life to the majority if not all the population.

The new model should allow for example, for greater time for family and community life, more involvement in cultural practice and development, and more time for religious and spiritual observance.

Several authors have proposed different models or paradigms to change the current patterns of consumption and production and move towards a more sustainable future. All of them propose a coordinated series of activities and responsibilities by the government, industry and consumers. Herewith, I will present just three that provide a good overview of the alternatives that are being sought and studied. The new paradigms include an integrated approach in policies and incentives, a new industrial model and a shift from a product economy to service economy.

One of these paradigms presented by W. Stahel focuses on de-materialization and changes in corporate strategies and can be called ‘Selling Performance Instead of Goods’. The present industrial economy has a linear structure and its success is measured as the monetary flow at the point of sale which is directly linked to the flow of goods and resources of both matter and energy. In order to become sustainable, industrialised countries will have to operate at a higher level of resource productivity estimated at factor 10. This can be achieved through a service economy that employs ‘utilization value’ as its central notion of economic value and measures its success in terms of asset management by revalorising the existing stock of goods and optimising their utilization (see table 1).

As an example, imagine a chemical company selling intelligence instead of pesticides. Currently, chemical companies benefit when more pesticides are sold which results in unintentionally waste of resources. A more efficient alternative could be farmers paying chemical companies to protect their crops instead of buying dangerous regulated chemicals. At the same price per agricultural area, the chemical company will focus on avoiding wasting materials and thus reducing the use of pesticides. (Mc Donough and Braungart 2001)

Table 1, Characteristics of Service economy in comparison to an industrial-product economy:

Sale of a performance (Service economy)	Sale of a product (Industrial economy)
The object of the sale is performance, customer satisfaction, the result.	The object of the sale is a product.
The seller is liable for the quality of the performance (usefulness).	The seller is liable for the manufacturing quality (defects).
Payment is due pro rata if and when the performance is delivered (a no-fun, no-money principle).	Payment is due for and at the transfer of the property rights (an as-is, where-is principle).
The work has to be produced <i>in situ</i> (service), around the clock, no storage or exchange is possible.	The work can be produced centrally or globally (production); products can be stored, re-sold, exchanged.
Property rights and liability remain with the fleet manager.	Property rights and liability are transferred to the buyer.
Advantages for the user: <ul style="list-style-type: none"> • High flexibility in utilisation • Little own knowledge necessary 	Advantages for the buyer: <ul style="list-style-type: none"> • Right to a possible increase in value • Status value as when buying performance

<ul style="list-style-type: none"> • Cost guarantee per unit of performance • Zero risk • Status symbol as when buying product <p>Disadvantages for the user:</p> <ul style="list-style-type: none"> • No right to a possible increase in value <p>Marketing strategy = customer service</p> <p>Central notion of value: constant utilisation value over long-term utilisation period.</p>	<p>Disadvantages for the buyer:</p> <ul style="list-style-type: none"> • Zero flexibility in utilisation • Own knowledge necessary (driver's licence) • No cost guarantee • Full <p>Marketing strategy = publicity, sponsoring</p> <p>Central notion of value: high short-term exchange value at the point of sale</p>
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(Stahel 2001)

A second paradigm focuses on the need to apply a new industrial model that value social and environmental gains as much or more than economic gains. This industrial model should have the following characteristics:

- Introduces no hazardous materials into the air, water and soil;
- Measures prosperity by how much natural capital can be accrued in productive ways;
- Measures productivity by how many people are gainfully and meaningfully employed;
- Measures progress by how many buildings have no smoke stacks or dangerous effluents;
- Produces nothing that will require future generations to maintain vigilance over;
- Celebrates the abundance of biological and cultural diversity and solar income. (Mc Donough and Braungart 2001)

The third model was designed in an attempt to tackle the main issues of sustainable consumption some European governments have developed an 'Integrated Product Policy' (IPP) method, to provide a standard regulation and incentives platform for closing the product and resource cycle across the span of economic output.

The IPP proposes to remedy the current unsustainable situation by applying a range of policy instruments in a coordinated, integrated and complementary manner. It is based in the fact that there is no single solution that will apply to all cases and therefore, it proposes a series of instruments that will be used on a case-by-case basis. The instruments range from voluntary agreements to direct legislation (see table 2 for examples)

IPP is a good example of policy development which, by capturing a range of issues in one package, makes legislation more efficient for industry: less regulations to administer, more competitive and efficient performance overall.

Table 2 Examples of IPP instruments

Instrument	Including
Voluntary instruments	<ul style="list-style-type: none"> • Voluntary agreements • Self-commitments • Industry awards

Voluntary information instruments	<ul style="list-style-type: none"> • Eco-labels • Product profiles • Product declarations
Compulsory information instruments	<ul style="list-style-type: none"> • Warning labels • Information responsibility • Reporting requirements
Economic instruments	<ul style="list-style-type: none"> • Product taxes and charges • Subsidies • Deposit/refund schemes • Financial responsibility
Regulatory instruments	<ul style="list-style-type: none"> • Bans/phase-outs • Product requirements • Mandatory take-back

QUESTION FOR DISCUSSION:

1. Which alternative model will be more suitable for the region?

Conclusions

Although sustainable consumption has been in the international agenda for more than a decade, the current state of the environment and the characteristics of the industrial sector in LAC shows very little improvements in relation to ten years ago. This was made clear in the report prepared by UNEP, CONIECO and UNIDO 'Environmental Performance of the Industrial Sector in LAC ten years after the Rio agreement' that was presented at the regional industry consultation workshop held in Rio in October 2001. The industrial sector in LAC is based on natural resource intensive industries, low added products and pollutant sectors. Furthermore, there is a polarization of the industrial sector where more than 80% of the total exports of some countries in the region are made by a limited number of large industries while 85% of the industrial employment is provided by micro-small and medium enterprises (MSEs).

So far, limited progress can be reported in terms of promotion and introduction of sustainable consumption patterns, nevertheless selected groups and association of both industrialists and consumers are increasingly getting involved and promoting sustainable consumption within their respective countries and more and more the social and environmental concerns are being reflected in industrial reports and voluntary initiatives undertaken by the industry sector and civil society.

The LAC region needs to encourage, promote and incorporate sustainable consumption in its policies and development plans, a starting point would be to 'domesticate' the globalization process by making a sustainable use of its regional natural and human resources and valorise its comparative advantages in the international market.

As sustainable consumption and sustainable production are two sides of the same coin, if sustainable consumption is to be achieved MSEs need to be actively involved and methodologies such as SPD and cleaner production need to be widely disseminated.

International and bi-lateral cooperation programmes as well as national initiatives will be essential to disseminate information on sustainable consumption and promote models based on improving the quality of life of the majority.

Finally, it has become clear throughout the paper that sustainable consumption is a common and shared responsibility of Governments, civil society and industry which need to work together to promote new approaches and look towards a sustainable future in the region.

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Websites as indicated in the text.

ANNEX 4: ABOUT UNEP DTIE

The mission of the UNEP Division of Technology, Industry and Economics is to help decision-makers in government, local authorities, and industry develop and adopt policies and practices that:

- are cleaner and safer;
- make efficient use of natural resources;
- ensure adequate management of chemicals;
- incorporate environmental costs;
- reduce pollution and risks for humans and the environment.

The UNEP Division of Technology, Industry and Economics (UNEP DTIE), with the Division Office in Paris, is **composed of one centre and four units**:

/ **The International Environmental Technology Centre (Osaka)**, which promotes the adoption and use of environmentally sound technologies with a focus on the environmental management of cities and freshwater basins, in developing countries and countries in transition.

/ **Production and Consumption (Paris)**, which fosters the development of cleaner and safer production and consumption patterns that lead to increased efficiency in the use of natural resources and reductions in pollution.

/ **Chemicals (Geneva)**, which promotes sustainable development by catalysing global actions and building national capacities for the sound management of chemicals and the improvement of chemical safety world-wide, with a priority on Persistent Organic Pollutants (POPs) and Prior Informed Consent (PIC, jointly with FAO).

/ **Energy and OzonAction (Paris)**, which supports the phase-out of ozone depleting substances in developing countries and countries with economies in transition, and promotes good management practices and use of energy, with a focus on atmospheric impacts. The UNEP/RISØ Collaborating Centre on Energy and Environment supports the work of the Unit.

/ **Economics and Trade (Geneva)**, which promotes the use and application of assessment and incentive tools for environmental policy and helps improve the understanding of linkages between trade and environment and the role of financial institutions in promoting sustainable development.

UNEP DTIE activities focus on raising awareness, improving the transfer of information, building capacity, fostering technology co-operation, partnerships and transfer, improving understanding of environmental impacts of trade issues, promoting integration of environmental considerations into economic policies, and catalysing global chemical safety.

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