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## The Way Forward: Is Sustainable Development Realistic?

Given that today's business and our way of consumption are not sustainable, this book looks into how we can change the direction of this destructive trajectory. Technically, it is feasible to develop a sustainable society, but we need new ways of doing business and changes in consumer behavior.

In Chap. 3 “Economic Theories and sustainable development”, I presented and discussed some key economists' views on economic development, as well as society's development in lieu of sustainability from a business point of view. Different models for approaching sustainable development and corporate responsibility were presented. It becomes evident that the “warnings” from economists like Thomas Malthus, Stanley Jevons, Thorstein Veblen, and so on were “true” and that major changes have to occur in our society in order to get on a more sustainable track. New emerging economic models taking sustainability, including environmental and social issues, were also presented.

Global awareness and concern for environmental and social issues is not enough—neither are new economic theories that are not being implemented. The IPCC report launched in August 2021 (IPCC, 2021) documents that we are failing to act on the climate crisis and the climate gas emissions caused by human activities are irreversible. As of now, we

are not acting in line with the Paris agreement, and if we continue on the same track, global warming could reach over five degrees by the end of the century. The uncontrollable fires, rising water levels, extreme weather, and temperatures hitting new records in many countries are warnings of the negative effects of greenhouse gas (GHG) emissions. These climate challenges associated with fossil fuels have been announced repeatedly over the past two decades, with a stronger and stronger voice and warnings containing more devastating consequences. Still, during this time, we have witnessed continuous growth in GHG emissions. We are also witnessing biological degradation and loss of species across the world. Similar to global warming, we become increasingly aware of the challenges at the same time as the situation is getting worse.

So, we are aware of the challenges, we know how to attenuate the problems—by reducing consumption—but still, we are not acting enough on it. Very few people in the industrialized world are willing to make adjustments to their lifestyles that are necessary to achieve a sustainable ecological footprint, moving from five planets to one—which is what is sustainable for the current world population. Much of the individual GHG emissions can be reduced by simply increasing energy efficiency. However, for society as a whole to become sustainable will require major reductions in energy consumption. As 62 percent of greenhouse gas emissions today comes from fossil fuels, it will take time before we have replaced this with low or zero CO<sub>2</sub> emission alternatives. Increases in energy efficiency has been impressive, illustrating the power of research and technology. From 2007 to 2017 the average emission per km from new cars in the EU went down from almost 160 g CO<sub>2</sub> per km to 120 g CO<sub>3</sub> per km. Today, zero emission electronic vehicles are available too and the price of producing solar based electricity is competitive with electricity produced from coal. Still, even though new technologies have increased energy efficiency tremendously, many sustainability challenges are escalating. Echoing Jevon Paradox, even though energy efficiency has increased and new energy technologies are emerging, the efficiency is being “eaten up” with greater volumes of consumption. Political parties suggesting significant increases in fossil fuel tax, integrating the environmental cost of using these resources, become less popular and are to a lesser degree elected. Economic growth *can* however also be associated

with sustainable development, but we need to price products in such a way that includes the external costs of negative environmental impacts and the social costs. One high quality, sustainably produced handbag made by a well-known and expensive brand can provide much more satisfaction than the corresponding 25 cheap and unsustainable bags produced by a fast fashion company. With regards to climate challenges, we think too much about the cost of reducing emissions, and less about the costs associated with the negative effects of *not* reducing emissions. According to the IEA, even though the transition to clean energy will cost USD 4 trillion per year over the next decades, the negative effect of not acting is estimated to cost up to USD 10 trillion annually. The “social cost of carbon” includes issues like mass migration, armed conflicts, cost destruction, weather damage and air pollution. So it is actually “way cheaper to save the planet than to ruin it”.

Collaboration between stakeholders such as business, government, NGOs, suppliers, media, customers, and so on is crucial to achieve a sustainable future. Still, the most important stakeholders in this process are people in general in developed countries. We need to change behavior and consumption patterns. Are we willing to do that? People in general claim that they actually are willing to change consumption—and even pay more for environmentally friendly products and steer away from consuming environmental damaging products and products which are not produced under acceptable social conditions. Many customers are becoming more sustainable, and new customer groups like LOHAS (Lifestyles of Health and Sustainability) are coming forward. Still, when we are in a store, the majority of us do not act in line with what we claim (Ditlev-Simonsen, 2015). There is a gap between attitude and behavior. The younger generation which often claims to be more sustainability concerned than the older generations, is actually often less environmentally responsible than today’s seniors. People under 60 throw away more waste than old people (Faltin, 2016).

So, to make a sizable amount of people to change behavior, we need companies to provide products which are sustainable—and which customers will actually choose. In addition, it is necessary to reduce consumption. The fact that people in rich countries have an ecological footprint which goes way beyond our “allowance” for a sustainable future strongly implies a need for change. More knowledge and research across

subject areas is crucial to understand human behavior relative to social and environmental impact. The often unpredictable and irrational human behavior and marked imperfection need more attention. Integrating sustainability throughout education and ensuring dialogue and communication between fields is crucial.

Governments are probably the stakeholders with the largest opportunity to redirect society to a more sustainable future. Only regulations can ensure that the prices of the products reflect the environmental impact (full cost pricing of resources which will increase the price of products), and even rule out products that are not sustainable. We need to discuss alternative ideas of measuring growth and human progress with less focus on consumption and material dimension.

But what about us, the population, will we be content with increased prices? Based on major market opposition on simple initiatives such as toll roads and CO<sub>2</sub> taxes on fossil fuels, it does not seem as though we are that willing to shift behavior to become more sustainable when it requires a lower material standard of living.

On the other hand, we have seen that people actually do accept situations and changes we thought we would never accept. During the oil crisis in 1973, we had to accept and survive with limited access to traveling and driving cars. During the COVID-19 pandemic, people across the world experienced and survived the closure of stores, restaurants, schools, curfew, and so on.

The commonality between these two events, the oil crisis, COVID-19 pandemic, and also other incidents which have led to situations that could be perceived as unacceptable, was that they were imposed on us from nature, not drafted by politicians and governments. In the future, will our society act as the frog in the slowly heating water? The frog jumps right out if it was put into boiling water, but if the frog is gradually being heated in a saucepan it would not jump out but die as the water starts boiling. I hope I am wrong with this extreme and pessimistic hypothesis on what is happening as we adapt to global warming.

## 12.1 What Do We Really Want?

Peoples have survived in a sustainable manner for thousands of years prior to the industrial revolution and the shift to an unsustainable society. The level of need is well described in Maslow's Hierarchy of Needs (Maslow, 1943), see Fig. 12.1. In this model, it is only the first level, the physiological needs which actually require direct consumption of natural resources: food, water, shelter, air, and so on. The following needs: security, social needs, esteem needs, and self-actualization are psychological and not based on material and resource consumption. So, human needs can actually be covered at the same time as we are living sustainably. But does this make us happy?

The purpose and goal of society has been to make people happy. This was claimed already by Aristotle before 350 years B.C. At the same time, the concept of happiness and what happiness includes has been discussed ever since. Still, the ultimate goal for most of us is to be happy. From a

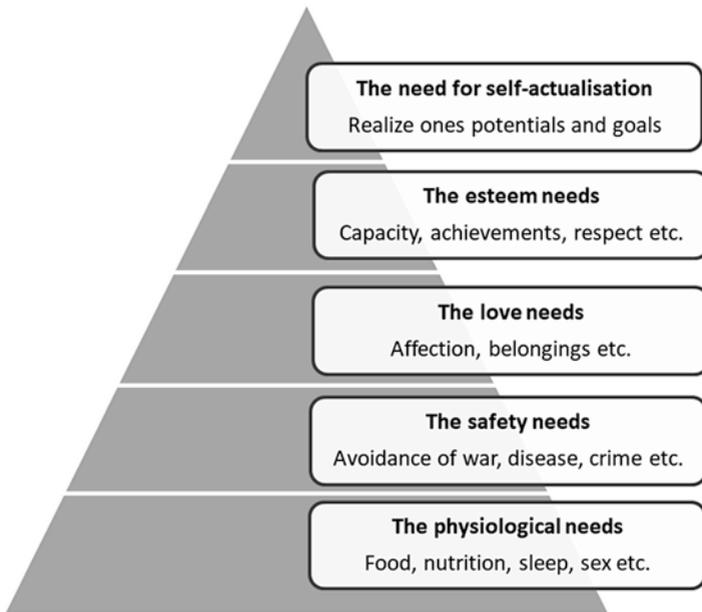
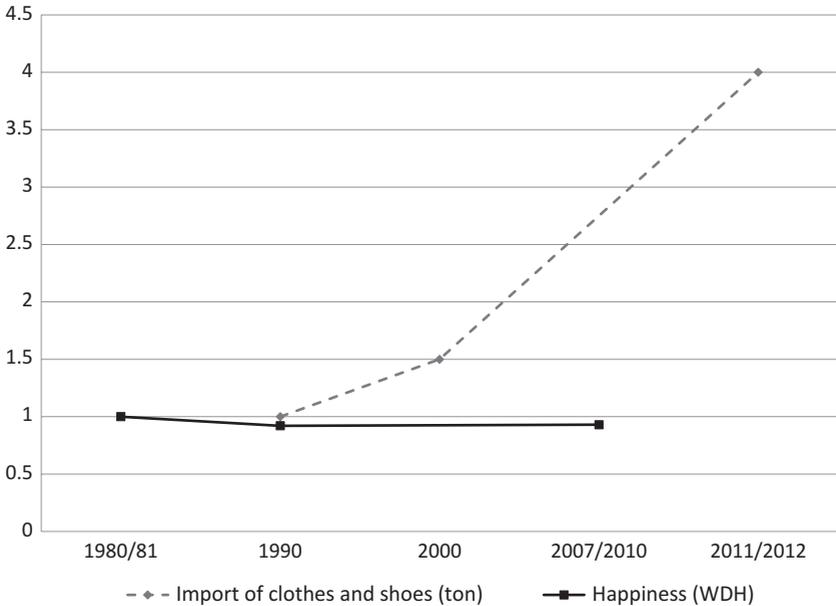


Fig. 12.1 Maslow's hierarchy of needs



**Fig. 12.2** Happiness versus consumption among Norwegians

sustainability perspective, happiness is especially relevant: Is it possible to have a sustainable living style and consumption and still be happy? More knowledge and research across subject areas are crucial.

So far, we know that consumption and happiness are not necessarily correlated. Figure 12.2 shows that in Norway, one of the richest countries in the world and with a very unsustainable per capita consumption, levels of happiness have stayed rather constant at the same time as consumption has quadrupled. The fact that increased consumption is not directly correlated with happiness is positive news for realizing a sustainable future—with a happy population.

## 12.2 Happiness

Government and politicians work for a happy population, but what is measured is the country's development in GDP. GDP is used to measure a country's "success", while such growth does not necessarily make people

happier. As addressed in Chap. 3, using the GDP as a goal is contrary to sustainable development. A big oil spill actually contributes to GDP as the cleanup requires production and work. This does not mean that we do not want growth; it just means that growth must be measured in another way and toward another goal(s).

In light of the fact that society's ultimate goal is happy people, not increased consumption, several countries and organizations have begun to measure a population's well-being, life satisfaction and happiness with regards to its development. The OECD measures well-being through the Better Life Index (BLI). Key variables or topics in the country score include: housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety and work-life balance. Bhutan measures Gross National Happiness (GNH). GNH is based on the following four pillars: sustainable and equitable socio-economic development, environmental conservation, preservation and promotion of culture, and good governance. The Happy Planet Index (HPI) is another approach to assess happiness and rank countries. It measures "what matters: sustainability for all". This tells us how well nations are doing at achieving long, happy and sustainable lives. HPI was developed by the New Economics Foundation and its key purpose is to contribute an alternative measure to GDP. A country's HPI is measured by multiplying the level of well-being, life expectancy and inequality of outcome, and then divide the result by the ecological footprint. The countries that rank the highest are the ones with the least relative amount of consumption. In 2016, Costa Rica was at the top of the list, followed by Mexico, Columbia, Vanuatu and Vietnam. Common to these measurements are that they define what happiness is from the outside (predefined variables), and measure happiness through indicators such as income, work, life expectancy, culture, government, external environment, and security. The UN's World Happiness Report is also published annually, but in this report the degree of "best possible life" is measured, and not "happiness". "Happiness", "best possible life", and "well-being" are three different things.

According to the World Happiness Report, Norway is number eight on the list. Keeping in mind that happiness in Norway has not been correlated with growth in consumption. This can be argued as supporting Jevons argument for marginal utility. I conducted a study to identify

what Norwegians claim to make them happy. Social issues (family, friends, love, relationships, etc.) turned out to be on the top of the list. In second place were health issues and, far down the list, came financial issues like income, salary, money, and so on (Ditlev-Simonsen, 2020). Asking Norwegians how happy they were, 79 percent answered Very happy or Rather Happy. The response to the same question in Tanzania showed that 85 percent were Very Happy and Rather Happy. Having sustainable consumption indicates that one can be equally or even more Happy than people with very unsustainable consumption.

What can we learn from this? This indicates that we can be both happy and live sustainably. More focus must be on how we can achieve this. So, even though we today might think that a sustainable future is unrealistic, it might still be possible. It will, however, require major changes, and hopefully this book has contributed a nanometer in the right direction.

*The world will not evolve past its current state of crisis by using the same thinking that created the situation.—Albert Einstein*

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