

CAST Policy Roundtables: Background Paper – Material consumption and the economy

In this background paper we look at proposals designed to address the climate impacts of material consumption and use of resources. We would like to hear your views on these in the roundtable discussions.

The content presented here has been prepared with particular reference to the Welsh Government's second Low Carbon Delivery Plan (LCDP2) and other Welsh Government policy documents, such as 'Beyond Recycling'. We also include some material from key studies on material consumption from across the UK and worldwide, such as the NRW's State of Natural Resources (SoNaRR2020), and proposals from the UK's Climate Change Committee.

While we have tried to reflect some key ideas from these sources, we are not setting out to endorse any particular recommendations. We are aware that many proposals may be considered controversial; our interest is in hearing the views of participants in the roundtables on these topics, whatever they may be.

Consumption Emissions

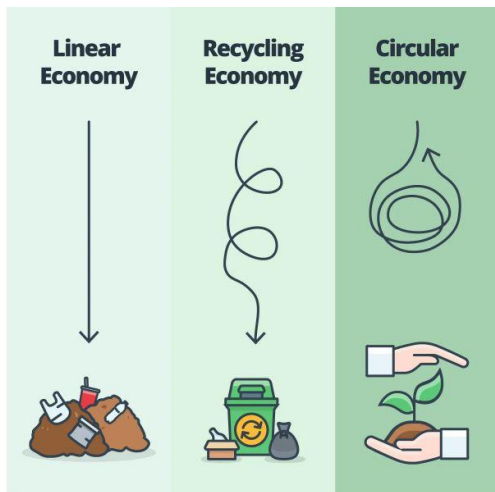
Whilst consumption emissions are often considered in relation to energy and fuel use, here we focus on material consumption; highlighting the emissions embedded in the products we purchase, and the ways that they are produced, as well as considering how we might adopt different approaches to the way we buy, loan or share things we use. The Welsh government, in their LCDP2, emphasise that there are significant reductions to be made by encouraging more sustainable use of resources in the country. Welsh Government also highlights the importance of avoiding consumption that contributes to consumption emissions produced abroad, for products we buy and use in Wales. For territorial and national emissions within Wales, government's stated approach is to recognise that offshoring emissions is not acceptable, and to work towards increasing re-use and repair.

The diagram to the right shows the *One Planet, Zero Waste* agenda, and highlights six pathways to achieving this. The key policy driver that spans this approach from the LCDP2 is the transition towards a circular economy, which also touches on how concepts such as a well-being economy, a sharing economy, and a foundational economy, might also influence how we deal with consumption emissions and use of material resources in production. Within these systemic approaches to change are a number of initiatives that represent the communities and businesses within Wales such as Bentyg Cymru (Library of things), and Repair Café Wales, and bring people together around new investment in infrastructure.



Circular Economy

A key policy approach of the Welsh Government is to support and develop a circular economy approach to resource production and consumption. This approach is spread across a number of different areas of the LCDP2, and includes approaches such as: new standards in social housing which encourage circular economy design principles, seeking to establish more circular supply chains, and making sure that bodies such as 'Business Wales' and 'Food and Drink Wales' drive decarbonisation through adoption and promotion of circular economies. This more holistic approach is intended to overcome many of the challenges posed by a more siloed approach to change, however it is not yet clear how the key targets in this area can be met, outside of waste management and recycling statistics.



A moratorium has been brought forward by Welsh Government to avoid emissions growth from energy produced from large scale waste processing and incineration, in favour of smaller scale processing, and for these processes to engage with carbon storage or capture where used. This is a proposed step away from a more linear approach to addressing life-cycle emissions and ensures that other alternatives are explored and must be economically and environmentally justified if used.

There are also opportunities to work with other UK nations to target legislation on electronic consumer items, seeking to reduce planned obsolescence, encourage repairs, and increase access to modular design which can be upgraded and improved rather than replaced.

Aside from helping businesses bring about change, there is also a strong focus on equipping communities to engage with circular economy practices on a more local scale. One example is the use of repair cafés, an initiative to help people learn new skills, and repair and upgrade their faulty or out-of-date goods and products.

Sharing Economy

A further community driven solution outlined in Welsh government approaches is the move towards a sharing economy, one notable example being the 'Benthyg Cymru', or 'Library of Things'. This initiative enables people to rent, loan and share appliances and products through a platform and network of people in a local community. This can be especially useful for products that have high embedded carbon in their manufacture, but which may only be used occasionally and/or are expensive, such as hedge trimmers.

Rental schemes for bikes, cars, or household appliances are in use, but are not yet being widely scaled up.

One challenge to consider with regards to the success of these types of initiatives are that they are often envisaged to operate withing an economy still dominated by private ownership and in context of strong social norms around aspiration consumption and visions of success.

Whilst we focus here more on material production and consumption, it is worth noting that similar approaches exist in related areas, including FairShare Cymru which aims to redistribute surplus food and avoid excess waste going to landfill.



Economic growth and alternative models

There is a growing criticism of economic models that assume unlimited growth, and of market orientated solutions to many of the problems posed by climate change; and many of these are connected to the challenges of reducing or reconsidering material consumption. A wider debate is ongoing as to the feasibility of decoupling GDP from emissions (that is, whether it is possible for GDP to grow indefinitely at the same time as reducing emissions)⁷. A focus on GDP as a measure of the success and prosperity of an economy, or nation, assumes that more consumption is positive, which risks overlooking any environmental damages or concerns that are connected with consumption itself.



Whilst there is presently no proposal from the Welsh Government to move away from an emphasis on economic growth or engage with alternative models such as 'degrowth', there are some signs of an openness to moving away from market-based approaches as the driving force for social change, in cases where these are not seen as environmentally or socially just. With reference to a more integrated net zero energy strategy the Welsh Government states that:

"Moving to a more planned approach, rather than a market driven approach, is more likely to enable delivery at the speed demanded by the climate emergency, at optimal cost to the system, and in a way that delivers a more socially just system with no people or places left behind."

This said, key stakeholder engagement responses to the government's 'Beyond recycling' strategy found that many businesses consider the circular economy as a way to save or make money, raising the prospect of additional efficiencies simply enabling growth in other areas and subsequently a risk of higher emissions.

Well-being

Across the different potential approaches for addressing and reducing material consumption, there is also an over-arching need to maintain and enhance people's wellbeing. The notion of a well-being economy is sometimes used to make the connection between interconnected social and environmental goals and is reflected in legislation via the Future Generations and Well-Being Act. Initiatives such as repair cafes and Bentyg Cymru can achieve parallel benefits here, such as by encouraging greater community connections and tackling loneliness and isolation, as well as helping with the cost of living crisis.

Questions to consider

We would like you to think about a few questions in advance of the sessions you will be attending. We will also pick up these questions in the roundtable discussion.

- What do you believe are the **most appropriate policies and pathways** for realising emissions reduction in the area of material consumption?
- **What is missing** from the outline described above? Are there underexplored areas within them, or ideas that you think need also to be considered? Would you like to challenge any of the claims that have been made?
- Do the ideas and proposals outlined above strike **the right level of ambition**? Are there cases where you think approaches to material consumption need to be more – or less – ambitious?
- How can emissions from material consumption be addressed while meeting **Wales's well-being goals**?
- What approaches can be taken to enable **attitude and lifestyle changes** among the wider public to achieve less impactful levels of material consumption?