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Substituting The More is Better Paradigm for The Less is Better Paradigm: Identifying Key Transitional Problems

By

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Abstract *We are accustomed to think in terms of more is better as this is the central premise of the traditional market economy. Conservation goals are not part of the formal decision-making process within this paradigm as the maximization of production or consumption is encouraged. Today, environmental stakeholders believe that we need to move to a different paradigm, one where less is better, to be able to stop or reverse current processes of environmental degradation. The more we conserve at the individual or group level, be it production or consumption, the better for all. In other words, a world where the environmental impacts of development are minimal is now desired. The goals of this paper are three: To point out in simple terms what the general structure of the more is better paradigm is; to show how the general structure of the less is better paradigm can be extracted through the placing of environmental and sustainability constraints on the status quo; and to stress the three key transitional problems that need to be overcome to achieve a successful transition from one paradigm to another.*

Introduction

The ideas that producing more and consuming more is better are the central premises of the traditional market economy or the traditional economic model, ideas that underline what for presentation purposes is called here “the more is better paradigm”.

More growth is assumed to always be good. WB(2002a) stresses that more growth is needed to reduce poverty while indicating that in the process of generating growth there are winners and losers. It is constantly stressed that maximizing growth is an ongoing beneficial aim. No growth, no sustained levels of poverty reduction, the thought goes(WB 2005). Hence, there is a need to learn how to achieve sustained growth from past economic policy and program experiences. For example, efforts are being placed on learning from past experiences with growth policies implemented in the 1990s in developing countries with the aim of finding better approaches to manage growth in way so as to raise productivity and the rate of capital accumulation at the same time(WB 2005a).

The more we produce and the more we consume the more profits are made at the closing of the market, the thought goes. No much concern is placed within this paradigm on the negative consequences of excessive or wasteful production and consumption today and in the future. It is

now widely accepted that human factors, consumption and production, are having huge environmental and social consequences. For example, UNF-SIGMA(2007) stresses that climate change is mainly being caused by human behavior in both developed and developing countries. And OECD(2005) mentions that there is now evidence that the effects of economic activities in most areas around the world are having a negative impact on biological diversity.

There appears to be a consensus now that we can not continue with the business as usual approach to development as in the past as the social and environmental pressures for change are getting day by day more difficult to avoid and there is a need to find ways to induce cuts in production and consumption to at least lessen our impact on issues such as global warming. It has been reported that even the UN officials have suggested that consuming less meat can be a good way to address global warming(Jowit 2008). Hence, efforts are being directed at finding or suggesting ways to change our mode of thinking at the individual level from the notion that more is better to the notion that less is better as the negative social and environmental consequences of the more is better paradigm can now hardly be denied. Both people and institutions are now thinking about consumption and production in sustainable terms and efforts are being placed on promoting sustainable practices. For example, IIED(1997) lists case studies in developing countries indicating a move toward sustainable consumption in their export market; and it recognizes the need to change production and consumption patterns in both developed and developing countries. Sustainable ways of living are more desirable where most people live, especially the poor. WB(2002) points out that a sustainable management of land resources is essential as 70% of the world's poor live in rural areas. UNEP-CI(2005) stresses that a key point of action is to promote sustainable patterns in consumption and they have developed policies and guidelines with that goal in mind. Support for sustainable development ideas is on the increase. For example, OECD(2002) indicates that OECD countries are coordinating among themselves and with non-OECD countries in efforts to address sustainable development challenges through partnerships. And now, the promotion of social and environmentally sustainable production and sustainable consumption within the notion of sustainable development is becoming a formal policy in OECD countries(OECD 2008). In other words, a world where the environmental impacts of development are minimal is now desired.

The need to facilitate a smooth transition from one paradigm to another raises the relevance of questions such as What is the general structure of the more is better paradigm, goals and drivers?; What is the general structure of the less is better paradigm, goals and drivers?; and What types of problems should be expected during the transition?. A simple answer to each of these questions is provided in this paper.

The goals of this paper

The goals of this paper are three: To point out in simple terms what the general structure of the more is better paradigm is; to show how the general structure of the less is better paradigm can be extracted through the placing of environmental and sustainability constraints on the status quo; and to stress the three key transitional problems that need to be overcome to achieve a successful transition from one paradigm to another.

Methodology

First, the general structure of the more is better paradigm is pointed out. Second, the general structure of the less is better paradigm is derived by subjecting the more is better paradigm to environmental and sustainability constraints. Third, the set of policies that need to be implemented to establish and support the less is better paradigm are listed. Fourth, the three key transitional problems that need to be overcome to achieve a successful transition to the less is better paradigm are stressed and related sustainability issues highlighted. And finally, some relevant conclusions are provided.

The general structure of the more is better paradigm

The general structure of this paradigm can be said to be composed by its central goal, maximization and a set of drivers of that goal as shown in Figure 1.

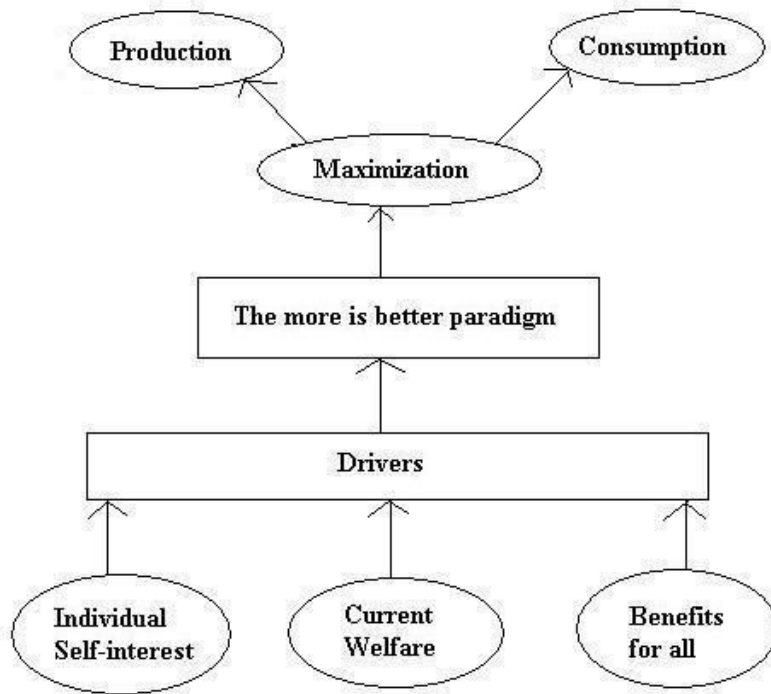


Figure 1 The general structure of the more is better development paradigm

a) Maximization the central goal of the more is better paradigm

It is known that the main goal of the traditional market model is maximization. Therefore, maximizing production and consumption are the central goals of the more is better paradigm as shown in the upper portion of Figure 1.

Maximization goals have led to the addiction syndrome in production and consumption observed in developed countries and to the copycat syndrome in production and consumption now found in developing countries. The addiction syndrome is underlined by over consumption and overproduction behavior, and the copycat syndrome is fueled by underdevelopment feelings as developing countries think they have the right to have similar levels of development as those found

in developed countries; and therefore they also have the right to produce and consume as much as possible or as much as they want.

Within this more is better notion there are not concerns about environmental health and social health issues associated with maximization processes. It is now accepted that the production and consumption addiction and copycat syndromes are environmentally and socially unsustainable processes affecting desires, behavior, and cultural assets. For example, Fellows et al (1997) indicates that excessive economic activity is the result of humanity insatiable desires for more and more. And Lundahl and Ndulu(1996) fear that the application of the north system in developing countries will result in an environmental catastrophe and Carley and Spapens(1998) believe it will lead to traditional culture losses. Yet, maximizing growth seems to be still the central aim of programs in institutions like the World Bank(WB 2005).

b) Drivers of Maximization in the more is better paradigm

As shown in the lower part of Figure 1, the drivers of the maximization goal are its focus on individual self-interest or market invisible hands, its focus on current welfare, and its focus on the existence of benefits to be distributed among all participants.

These drivers support or feed the exploitation syndromes mentioned above as they provide the strong incentives to over produce and to over consume that are well accepted in both developed and developing countries. It is known that markets under self-interest only are unsustainable. For example, Loasby (1999) points out that self-interest under market incentives leads to opportunistic behavior. It is known that individual and groups prefer short-term objectives. The more each individual can get from available production and consumption for his own welfare now the better. And it is known that the call that all participants can benefit from participation in the market makes getting involved more attractive as individuals in all countries expect to share in those benefits. WB(1999) in its Annual Review of Development Effectiveness recognizes among other things that the business as usual approach with its usually short-term view and non-systematic approach needed change, which is reflected in its Comprehensive Development Framework now in place. And we should expect opposition or delays from both developed and developing countries to any policy that threatens those drivers of maximization. As reported by Black(2008) a recent meeting of G8 leaders in Japan aimed at clarifying the road to solve the global warming issues left the solution of the issue more unclear, probably because the issue now it is suddenly in the way of the drivers of maximization..

The general structure of the less is better paradigm

The general structure of the less is better paradigm can be derived by placing the more is better paradigm under current environmental and sustainability constraints. Environmental constraints call for abandoning maximization goals and aiming at minimizing goals instead; and sustainability constraints calls for the move to balancing individual/group responsibilities, to balancing current and future welfare; and to balancing benefits for all, as shown in Figure 2.

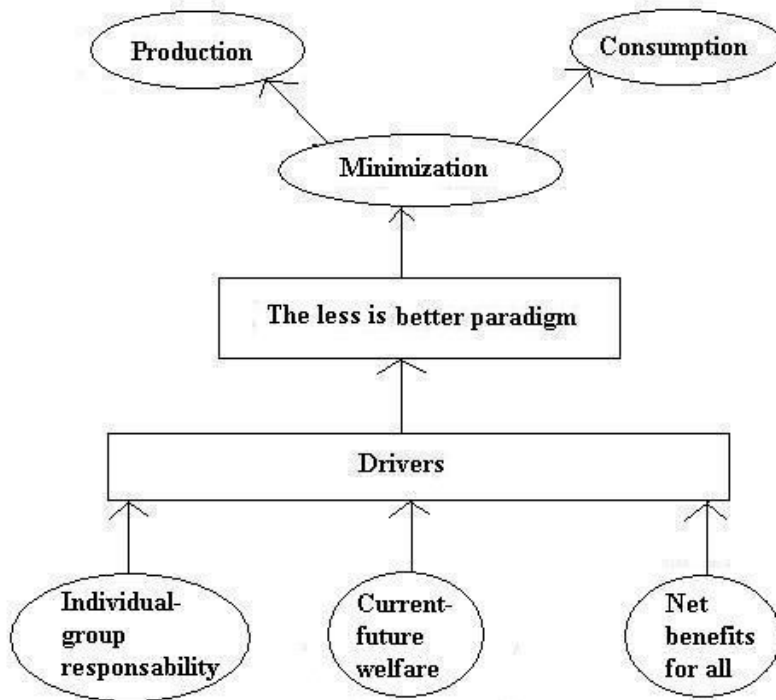


Figure 2 The general structure of the less is better development paradigm

a) Minimization should be the central focus of the less is better paradigm

Hence, the central goal of this new paradigm as shown in the upper part of Figure 2 should be a focus on minimizing choices so as to make it possible to minimize production and consumption choices, which is consistent with the current need to use or consume less. For example, Lundahl and Ndulu (1996) point out that sustainability can only be reached if we can accomplish more with less. Within this less is better notion there is a need to minimize environmental health and social health issues associated with development processes.

It is important to mention here that implementing the minimization goals should be expected to lead to a direct friction or conflict with the addiction and copycat syndromes in production and consumption encouraged during the more is better culture. In other words, individuals and countries accustomed to do business as usual may resist or slow down change towards having short and long-term production and consumption reduction goals for the benefit of the environment and society. For example, Degeus (1999) reports that when the Dutch Government had a discussion related to the links economy and ecology, it focused its attention in short-term tensions between these two components instead of discussing the general or particular economic contractions that need to be considered or assessed in order to achieve sustainability.

b) The drivers of minimization

The drivers of minimization as shown in the lower part of Figure 2 should be a heavy focus on balancing individual/group responsibility, a focus on balancing current and future welfare, and a focus on the existence of net benefits for all participants.

All of these characteristics would counteract or reduce the exploitation syndromes created during the more is better paradigm. The less each individual can get from available production and

consumption for his own welfare now, the better; and the view that all participants can benefit, but only after accounting for all costs generated by their addictive and copy-cat production and consumption behavior is formally established. The above is consistent with some of the key principles for a sustainable society (e.g. conservation) and with some of the priorities for sustainable development (e.g. selective economic suppression and negative growth for rich countries) listed by Gilpin (1999, Pp. 92-93).

Moreover, central to the Comprehensive Development Framework implemented in January 1999 by the World Bank are the ideas of undertaking development issues through a development process that adapts continually to changing circumstances and which is based on long-term, holistic, and balanced goals and approaches (WB 1999); and this is also consistent with the need to have balanced minimization drivers. A FAO Regional Conference held in Havana, Cuba, recommended a move from short-term to long-term goals and a move from single issue to multidisciplinary approaches when dealing with food security and the sustainable management of natural resources (FAO 2002). However, we should expect to see resistant from social elites both in developed and developing countries to any movement towards consuming and producing less, and therefore, oppose a shift to less is better even when dealing with issues such as global warming. Bello (2008) indicates that a program that is based on less consumption, less growth, and more equality will not be an easy sell to both the elites, North and South. Yet, the failure of the premises of the old economic paradigm as shown by the current crisis appears to be paving the way to moving towards such a more environmentally and socially efficient economic model. For example, the need to move to a new economic model that reflects and addresses environmental and social equity issues is being right now encouraged in OECD countries (Narbona 2009).

Policies needed to successfully implement the less is better paradigm

From Figure 2 we can see that a successful transition to the less is better paradigm requires the implementation of consistent social, economic, and environmental incentives and regulations to encourage three sets of policies at the same time: a policy geared to the minimization of production, a policy aimed at the minimization of consumption, and a policy directed at the active promotion of or the creation of a culture based on minimization drivers.

In theory, implementing the policies at the core of the less is better development paradigm listed above could lead to a sustained situation that could be more socially and environmentally friendly than the sustained situation that exist in the more is better paradigm described in Figure 1, but only if they are implemented under a notion of equal initial production and consumption endowments and equal costs for all individuals in all countries. This is because the choice of producing and consuming less would be easier to implement in practice if the net benefits of changing production and consumption behavior are equal to all; and the promotion of minimization drivers could be effective only if all stakeholders in all countries can afford the cost of doing so.

Identifying key transitional problems and sustainability issues

Hence, implementing the policies of the less is better paradigm in an unequal world should be expected to lead to three key transitional problems, which are listed below:

a) The supply side problem

This problem arises from the need to implement policies aimed at minimizing production in an environment where deep production sustainability differentials within and between countries exist, which is shown in the left side of Figure 3.

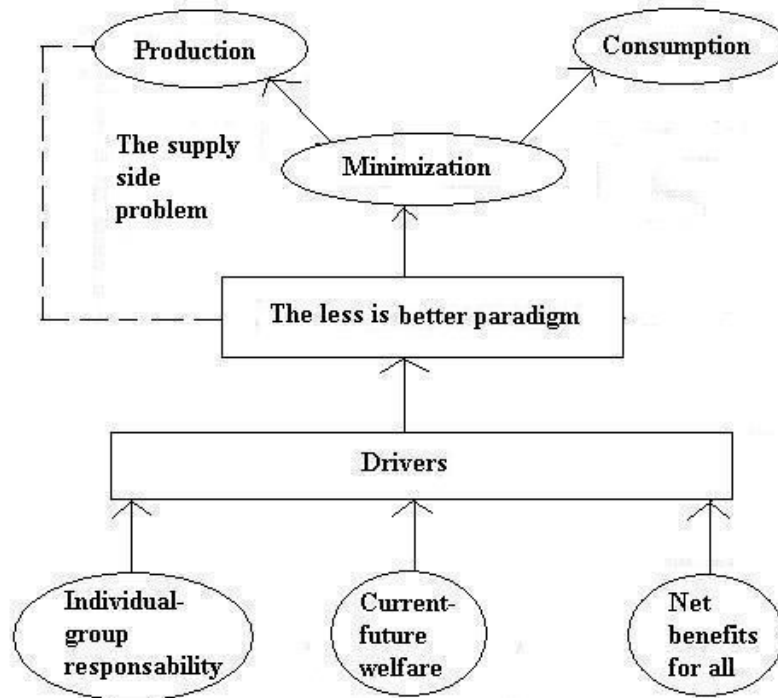


Figure 3 The supply side problem: How to minimize production in a world with very unequal production bundles?.

In other words, implementing production minimization policies under unequal initial production bundles may prove to be a very unsustainable program. This situation raises the issue of how to balance production activities in both developed and developing countries so that producing less is better for all.

Even if individuals in all countries agree to produce less today, production bundles for some individuals (developed countries) would be higher than those of other individuals (developing countries). Again, under unequal initial production bundles, those with the higher production bundles would easier agree to produce less than those with the lower bundles. Producing less would be tough sell among poor countries who are currently not even meeting neither their basic development needs.

Finally, there is a need to point out that individuals in all countries who grew up under the culture of the more is better paradigm and who are accustomed to over produce under the addiction syndrome(developed countries) and those who now expect to be able to over produce according to the copycat syndrome(developing countries) should be expected to oppose a change in culture or at the most, they will consider change, but at the slowest possible speed. A move from a culture where producing more is better to the culture of less is better will be a slow process unless there is an extreme event acting as an inducer such as a deep global environmental and social breakdown.

b) The demand side problem

This problem arises from the need to implement policies aimed at minimizing consumption in an environment where deep consumption sustainability differentials within and between countries exist, which is shown in the right side of Figure 4.

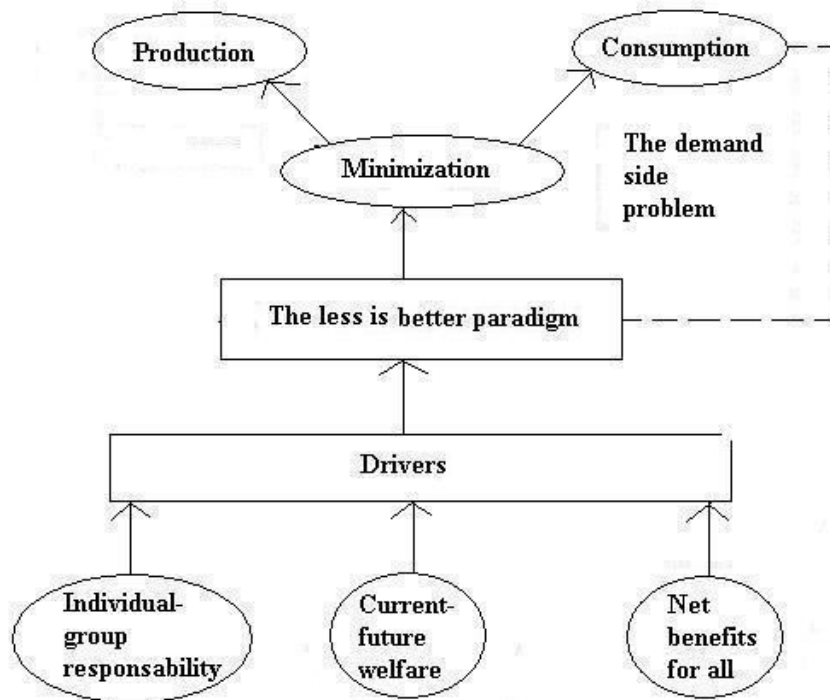


Figure 4 The demand side problem: How to minimize consumption in a world with very unequal consumption bundles ?.

Implementing consumption minimization policies under unequal initial consumption boundless may prove too to be a very unsustainable exercise. This situation raises the issue of how to balance consumption activities in both developed and developing countries so that consuming less is better for all.

Even if individuals in all countries agree to consume less today, consumption bundles for some individuals (developed countries) would be higher than those of other individuals (developing countries). And under unequal initial consumption bundles we should expect that those with the higher consumption bundles would easier agree to consume less than those with lower bundles. Consuming less would be also a tough sell among the poor who currently are not even meeting their basic needs.

Again, there is a need to stress here that individuals in all countries who grew up under the culture of the more is better paradigm and who are now accustomed to over consume under the addiction syndrome(developed countries) and those who now expect to be able to over consume according to the copycat syndrome(developing countries) should be expected to oppose a change in culture or at the most they will consider change, but as slow as possible. A move from a culture where consuming more is better to the culture of less is better will be too a slow process unless

again there is an extreme event acting as an inducer such as a deep global environmental and social breakdown.

c) The minimization driver promotion problem

This problem arises from the need to implement policies aimed at actively promoting the minimization drivers of the less is better paradigm in a world where deep ability to pay sustainability differentials within and between countries exist, which is shown in the lower part of Figure 5.

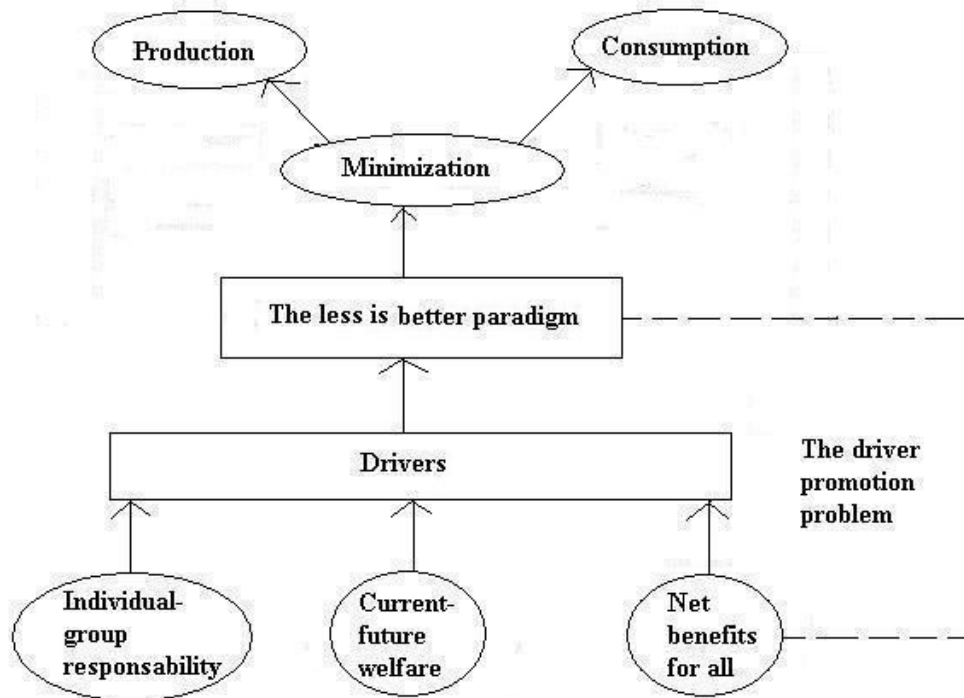


Figure 5 The driver promotion problem: How to promote the drivers of the less is better paradigm in a world of very unequal ability to pay?.

Implementing minimization driver promotion policies under unequal initial ability to pay may prove to be a very unsustainable project. This situation raises the issue of how to actively promote minimization driver activities in both developed and developing countries to encourage the less is better culture so that all can cover the promotion cost.

Even if individuals in all countries agree on the need to promote a culture driven by minimization drivers, some individuals would be able to pay(developed countries) and other individuals would be unable to pay(developing countries). And under unequal initial ability to pay, those with ability to pay would easier agree to move toward a promotion program aimed at changing behavior than those with lower or no ability to pay. Spending limited money to promote changing behavior would be a tough sell among the poor and the poorest who currently are just worry about daily survival.

Finally, there is a need to exalt that an effective promotion of minimization drivers should have two components: a) a component focused on the old generation who grew up only under the influence of maximization drivers and aimed at behavioral change; and b) a component focused on

the new generation right from school, aimed creating the less is better generation, through education programs from kindergarten/school onwards. Again, a move from a culture fueled by maximization drivers to a culture based on minimization drivers will be a slow process unless again there is an extreme event acting as an inducer such as a deep global environmental and social breakdown.

Conclusions

First, environmental and sustainability pressures are slowly forcing a change of behavior, from a culture where more is better to a culture where less is better as now the need to address head on the environmental health and social health issues of development is becoming increasingly more relevant. Second, it was shown that the general structure of the less is better paradigm can be extracted by placing the general structure of the more is better paradigm under environmental and sustainability constraints. Third, based on the general structure of the less is better paradigm, the list of policies that need to be implemented for its successful implementation were provided. Fourth, the three key transitional problems that are expected when implementing those policies under existing deep inequalities are then identified and related sustainability issues discussed. And finally, implementing the less is better paradigm as indicated is possible and it can be sustained, but only if the key transitional problems mentioned can be overcome.

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