

## An inconvenient truth: Does responsible consumption benefit corporations more than society?

## August 26 2014

Are environmental and social problems such as global warming and poverty the result of inadequate governmental regulations or does the burden fall on our failure as consumers to make better consumption choices? According to a new study in the *Journal of Consumer Research*, responsible consumption shifts the burden for solving global problems from governments to consumers and ultimately benefits corporations more than society.

"When businesses convince politicians to encourage responsible consumption instead of implementing policy changes to solve environmental and <u>social problems</u>, business earns the license to create new markets while all of the pressure to solve the problem at hand falls on the individual consumer. For example, <u>global warming</u> is blamed on <u>consumers</u> unwilling to make greener choices rather than the failure of governments to regulate markets to the benefit of society and the environment," write authors Markus Giesler and Ela Veresiu (both York University).

The authors studied the World Economic Forum in Davos, Switzerland in order to examine the influence of economic elites on the creation of four types of responsible consumers: the bottom-of-the-pyramid consumer, the green consumer, the health-conscious consumer, and the financially literate consumer.



The authors identified a process that shifts responsibility from the state and corporations to the individual consumer. First, economic elites redefine the nature of the problem from political to one of individual consumption (for example, global warming stems from consumers failing to cultivate a sustainable lifestyle). Next, economic elites promote the idea that the only viable solution is for consumers to change their behavior. Third, new markets are created in order to turn this solution into a material reality (eco-friendly light bulbs, hybrid automobiles, energy efficient appliances). Finally, consumers must adopt this new ethical self-understanding.

"The implications of our study are far-reaching and relevant for consumers and policy makers alike. While the responsible consumption myth offers a powerful vision of a better world through identity-based consumption, upon closer inspection, this logic harbors significant personal and societal costs. The responsible consumption myth promotes the idea that governments can never achieve harmony between competing economic and social or environmental goals and that this instead requires a global community of morally enlightened consumers who are empowered to make a difference through the marketplace," the authors conclude.

**More information:** Markus Giesler and Ela Veresiu. "Creating the Responsible Consumer: Moralistic Governance Regimes and Consumer Subjectivity." *Journal of Consumer Research*: October 2014.

## Provided by University of Chicago

Citation: An inconvenient truth: Does responsible consumption benefit corporations more than society? (2014, August 26) retrieved 25 April 2024 from <a href="https://phys.org/news/2014-08-inconvenient-truth-responsible-consumption-benefit.html">https://phys.org/news/2014-08-inconvenient-truth-responsible-consumption-benefit.html</a>



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