Promotion of Sustainable Consumption and Production

As the growth pattern is defined by the sum of production and consumption patterns, sustainable consumption can be an opportunity for improving the eco-efficiency of economic growth. Changing production patterns has taken a very good speed and cleaner production is relatively enhanced by various governmental initiatives throughout the region. Enhancing the consumption patterns of the society needs to be taken more seriously now, when the countries are setting up their development patterns, since this is directly reflected and has strong impact on the lifestyle and forming consumer behaviour. Demand Side Management is emerging as a tool with critical importance that can regulate and stimulate sustainable consumption. The role of the public sector is to create a conducive environment for more investments necessary to provide for sustainable consumption choices and in applying demand side management with the active support of citizens groups and the civil society.

Demand-side Management

As economic growth continues, demands for basic services such as transportation, safe drinking water, energy and housing rapidly increase. One particular case acutely highlighting this issue is urbanization. Many countries in the region are experiencing rapid urbanization. Urbanization poses a serious challenge to the policy makers on how to meet exploding demands arising from large population congregated into a compact space of a mega-city.

Conventional approach to simply increase the supply of basic services is not enough. Now we have to look into the issue of how to manage and control exploding demands arising from rapid economic growth. In managing demands, we can use regulatory measures such as efficiency standards as well as market instruments such as water pricing and congestion charges. One of the most successful examples of demand-side management could be found in Singapore, where the Government regulates the total number of cars on the road through an auctioning system for purchasing a private vehicle license and through a strict road use charges.

Improving the eco-efficiency of demand is crucial for improving the eco-efficiency of economic growth pattern, which is determined by the eco-efficiency of the production and consumption patterns. Eco-efficiency of production side generally improves as economic growth continues. However, the eco-efficiency of production rather deteriorates with income rise, thus the need for demand-side management.