Mobilizing Women’s “Power of the Purse” to Help Achieve Sustainable Consumption

By Diane MacEachern, Big Green Purse
May 2012

Consumer spending impacts every aspect of the environment, from air pollution and water quality to climate change, resource availability, and biodiversity. Agenda 21 focused global attention on the issue twenty years ago, calling unsustainable patterns of consumption and production “the major cause of the continued deterioration of the global environment.” Two decades later on the eve of Rio+20, as population continues to increase and as the world’s middle classes expand, the situation has worsened and the stakes have risen. The World Business Council for Sustainable Development projects that, “As global population grows to an expected 9 billion people by 2050...we will need 2.5 Earths to meet current demand.”

Women control or influence 65 percent of global consumer spending, which amounts to $20 trillion annually. In most countries, women are in charge of household purchasing, which accounts for more than 60 percent of all consumption impacts, once the entire life cycle of manufacturing products and providing services is taken into account. With this in mind, strategies are needed to encourage women to direct their spending to support sustainable development. This includes targeting women with financial means in developed countries and developing countries to reorient or even reduce their consumption. Poor women also need more choices and access to sustainable products. Women must be empowered to make the most sustainable choices possible for themselves, their families and communities – both in terms of what and how much to consume as well as when to forego consumption.

In developed countries, women’s consumer clout in the workplace is growing and this could have positive impacts on developing a sustainable consumerism model. For example, in the U.S. women are starting new businesses at twice the rate of men while occupying 52% of positions in management and professions such as architecture, engineering, medicine and teaching. In developing countries, overall women’s earned income is also rising at a rate of 8.1 percent, compared to 5.8 percent for men, as women expand into everything from informal ‘traditional trade’ such as open markets or street vending.
to entrepreneurial, micro-financed ventures, such as the manufacture and sale of cleaner burning cook stoves. Whether at home or at work, women are choosing what products and services their households and businesses consume. No wonder, reports the Harvard Business Review, women globally represent a larger growth market than China and India combined.7

In developed economies, women have already made their market power felt by shifting their spending to greener products and services that offer the greatest environmental benefit. For example, their demand for non-toxic personal care products, organic and Fair Trade food, phthalate-free toys, and baby bottles free of Bisphenyl-A has created a powerful incentive for manufacturers to improve the environmental characteristics of the items they make and sell. Yet, despite their consumer clout and increasing gains in the workforce, women hold only a minority of seats in the board rooms of companies globally, ranging from a high of 16.1 percent for US women at Fortune 500 companies in 20118 to only 12 percent in terms of boards of director memberships in Europe with the percentage dropping to 7 percent in the Asia-Pacific region and down to 3 percent in the Middle East and North Africa.9 The introduction of quotas for female representation on corporate boards could increase women’s decision making power and help shift business growth strategies and production patterns toward more sustainability.

Several obstacles prevent a majority of women from becoming “conscious consumers” capable of using the power of their purse to advance sustainability. In many developing countries, unpaid work, low wages, inadequate representation and political participation, limited education, lack of access to property ownership, and extreme violence oppress women and limit their potential to improve, advance and change the current growth model and prevailing production and consumption patterns. For women in developed countries, inadequate or misleading product information also creates a significant barrier to change. It can be almost impossible to determine what is a truly “green” product from one that is being “greenwashed” by its manufacturer or retailer to take advantage of growing consumer demand for greener goods. In addition, the higher cost of some green products and services, plus their lack of availability, can foil the best of intentions, even for those financially capable of paying a premium for more sustainably sourced and produced products.

These obstacles are not intractable, but until they are overcome, the goal of sustainable and adequate consumption for all will remain frustratingly out of reach. Women who become greener consumers can protect themselves, their families, their communities and the world. Women can also pressure manufacturers and service suppliers to reduce their own environmental impacts globally. However, neither of these benefits will occur unless women worldwide are empowered to achieve a meaningful standard of living, educated about the most environmentally-benign products and services that will meet their needs, and inspired to shift their spending to the greenest goods available.
References
1 “Agenda 21” (Chap. 4.3), Earth Summit, Rio 1992
5 UNEP and International Panel for Sustainable Resource Management, Assessing the Environmental Impacts of Consumption and Production, 2010
9 “Gender Quotas and Female Leadership: A Review,” Background Paper for the World Development Report on Gender, Rohini Pande and Deanna Ford, April 7 2011

Diane McEachern is the Founder & CEO of Big Green Purse (www.biggreenpurse.com), an organization focused on empowering consumers – especially women – to use their marketplace clout to protect the environment.