

THE AUSTRALIA INSTITUTE

## **Why Consumer Capitalism Loves Waste**

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for Sustainable Consumption and Production

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Like citizens of rich countries around the world, especially the English-speaking world, Australians have been on a decade-long consumption binge fuelled by the extraordinary growth in consumer credit and home loans. In the last ten years personal debt has increased from a little over \$6,000 per household to over \$14,000. Lending for housing has risen three or four-fold.

This huge level of indebtedness is certainly not because we are experiencing hard times and people have had to borrow to tide them over. In financial terms, most Australians have never had it so good. No, the borrowing binge is driven by consumer desire, by luxury fever.

People afflicted by affluenza have an insatiable appetite for more things. But, although our desire might have no bounds, our capacity to use things is limited: there is only so much we can eat, wear and watch, and a house has only so many rooms we can usefully occupy. The difference between what we buy and what we use is waste.

Ostensibly, we go to the shops to buy the things we need—or, at least, we go to buy things we hope will make us more contented. Increasingly, though, Australians, like consumers in other rich countries and rich consumers in poor countries, go shopping for the thrill of the purchase, rather than for the anticipated pleasure to be gained from owning or using something.

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As one marketing strategist puts it, ‘We are beyond satisfying basic demands and we have moved to a tertiary level where consumption becomes leisure. Even the stores that appear to be for basic needs are really about leisure’.

Shopping today is often done for ‘mood enhancement’—even though the benefits of retail therapy are short lived and more costly than Prozac. This means that waste is not a troublesome by-product of what we consume but a consequence of the strategies we adopt to find meaning in our lives through shopping. Instead of finding more effective ways to fill the inner void, we end up digging and filling holes in the landscape. Dealing with ever-growing piles of waste is not so much an engineering problem: it is a psychological and social one.

Of course, the marketing industry is devoted to persuading us to buy things we don’t need—and often to buy things we don’t want. As I have said elsewhere:

In rich countries today, consumption consists of people spending money they don’t have to buy goods they don’t need to impress people they don’t like.<sup>2</sup>

But it is not just the marketing industry: it is the entire economic and political system that conspires to break down any resistance to buying. If we fail to keep spending, dire warnings are issued. An article in the *Wall Street Journal* in 2004 lamented Europeans’ unwillingness to spend unnecessarily and their penchant for electing governments that introduce laws to restrict retail hours and the use of credit cards:

“Western Europe has only 0.27 credit cards per person,” it complained, “compared with 2.23 in the US. [In Australia we have 0.75.] ... Moreover, many affluent Europeans just do not want to spend their free time shopping’.

When a terrorist attack caused the twin towers of the World Trade Center to collapse on 11 September 2001, killing almost 3000 people, within days President Bush was telling the American public that the best way they could show that they would not be cowed by terrorism was to go out and shop. The advice was presented as a means by which

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<sup>2</sup> See Clive Hamilton and Richard Denniss, *Affluenza: When too much is never enough* (Allen & Unwin, Sydney 2005)

Americans could demonstrate their defiance. Consumer spending was characterised as a 'patriotic duty' for those who wanted to demonstrate that America would not be diverted from its way of life. In other words, the most normal act in the United States is to consume.

The CEO of one of Germany's largest makers of household items has complained, 'People have an urge to spend nothing'. Europeans' reluctance to spend money on goods they don't want has become so alarming that in 2004 the head of the European Central Bank instructed Europeans, 'It is time for you to consume'. No such urging has been required for Australian consumers.

The conclusion from this is unavoidable, even though we are not allowed to say it: consumer capitalism itself depends on the continuous production of ever-growing piles of waste generated by unnecessary consumption.

The pressures of the market have the effect of making us buy many things we don't really want. And we are embarrassed when we succumb, so we adopt strategies to conceal from ourselves and others just how much we spend on things we don't use.

Many compulsive shoppers say they have cupboards full of shopping bags they never got around to opening. We assuage our guilt by storing things away, telling ourselves we will eventually make use of them. The only beneficiaries of our wasteful behaviour are the charities that recycle some of our redundant items and, of course, the retailers that sold them to us.

Waste does little for our wellbeing, but it is crucial to the health of the economic system, which is why many business groups are implacably opposed to measures designed to tackle waste. Business loves waste because more waste means more consumer spending. While governments urge us to 'reduce, re-use and recycle' manufacturers and marketers of consumer goods spend billions persuading us to 'increase, replace and discard'.

## **How much do we waste?**

A recent survey by the Australia Institute (in part funded by Ecorecycle Victoria) has for the first time revealed the extent of wasteful consumption in Australia and our attitudes to spending money on things we never use.<sup>3</sup> Virtually all Australians admit to wasting money by buying things they never use—food, clothes, shoes, CDs, books, exercise bikes, cosmetics, kitchen appliances, and much more.

We know from an earlier survey that nearly two-thirds of Australians say they cannot afford to buy everything they really need. Yet they admit to spending a total of \$10.8 billion every year on goods they do not use. That is an average of \$1250 for each Australian household—more than the total government spending on universities or roads.

What do we waste our money on? Much of it is spent on uneaten food, including fresh fruit and vegetables, takeaway food and home-cooked leftovers. We threw away more than \$5.2 billion worth of food and drink in 2004. Half of Australian households admit to discarding \$1000 a year in fresh food alone, while one in seven households throws away more than \$2500 worth each year.

Of course, waste is not confined to the kitchen. We waste billions on clothes and shoes we never wear, exercise equipment we never use, books we don't read and CDs we never listen to. Uneaten food quickly finds its way to the garbage bin, but these items can be stored for years, so most houses have cupboards—or even rooms—where unused stuff is hidden away. This has generated a whole new industry – the self-storage industry has expanded enormously in the last 10-15 years in order to accommodate all of the stuff we can't bear yet to throw out. This is despite the fact that the average new house today is twice as big as it was in the 1950s, and our families are about 50 per cent smaller.

We also waste money on services and things such as unused sports club memberships. In 2004 Australians spent more than half a billion dollars on gym memberships and exercise equipment that they rarely or never use.

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<sup>3</sup> Clive Hamilton, Richard Denniss and David Baker, *Wasteful Consumption in Australia*, Discussion Paper No. 77, The Australia Institute, March 2005

The extent of wasteful consumption varies according to the characteristics of households. Rich households waste more than households with modest incomes. For example, households with incomes between \$20 000 and \$40 000 throw out an average of \$306 worth of fresh food each year, whereas households with incomes over \$100 000 discard over \$520 worth.

Older householders throw away much less than households of young singles or young parents. This could mean either that as people become older they waste less or that people who are now old grew up in a thriftier era and have maintained that attitude. Undoubtedly, attitudes to consuming have changed greatly in recent decades, suggesting that young wasters today will turn into old wasters tomorrow.

### **Guilt or indifference?**

There are good reasons for thinking that the amount of waste reported is much less than is actually the case. Some important items were omitted from our survey—such as the money we spend on toys, cars and, perhaps the biggest item, houses that have more space than we can reasonably use. There is also reason to think that the survey respondents were reluctant to admit the full extent of their wasteful spending.

We know, for example, that the average household could cut its electricity bill by 10–15 per cent by adopting a few simple measures, such as turning lights off, having shorter showers and not leaving the television in stand-by mode, yet the survey results show that we think we could cut our bills by only 7.5 per cent.

The survey also provided some insights into how we feel about our wasteful spending. Although we buy a lot of things we don't use, most Australians say they feel guilty when they waste things. Perhaps not surprisingly, people who admit to wasting more also claim to feel less guilty about it. Somehow people who are wealthy and can afford to spend money on stuff they don't use persuade themselves that they don't waste or that they have a right to waste.

For a decade now, governments, schools and the media have emphasised environmental responsibility, so we could expect *young* people to be more aware of the environmental

damage caused by waste and take a stronger stand against it. But this does not seem to be the case. Although nearly half (47 per cent) of older householders say they feel very guilty about buying items that do not get used, only 29 per cent of those in young single households feel the same way, although the concern rises to 41 per cent among young parents. Having children seems to make people more worried about throwing money away, at least for a while.

Despite the survey revealing high levels of wasteful consumption, when asked directly, Australians see themselves as cautious shoppers who rarely buy anything they don't need: 80 per cent claim that they think carefully about how much use they are going to get out of the things they buy.

So it seems that we feel guilty when we buy things we don't use and at the same time claim that we don't buy such things. But the facts show that we spend huge sums on all sorts of goods that go unused. This suggests that Australians and citizens of other rich countries live in a state of denial about the amount of money they waste on things they don't need and lends support to the argument that much of the pleasure to be derived from shopping comes from the act of buying rather than from using the goods bought.

Sometimes I think we should build railway lines running directly from the shopping centres to the landfill sites and cut out the middle man. Having satisfied our need to spend, we could just deposit our purchases in bins at the doors of the shopping centres on the way out. But of course, then the game would be up and we could pretend no more.

Most people believe advertising works but that they themselves are immune to it. Similarly, we deny that we personally are prone to buying things we never use, yet we are quick to point the finger at others. Thus, 80 per cent of survey respondents agreed with the statement 'Most Australians buy and consume far more than they need: it's wasteful'. This means four in five Australians believe themselves to be careful shoppers who rarely buy unnecessary things but acknowledge that Australian society is characterised by high levels of aimless spending.

## **The affluent society**

Australians are among the greatest generators of landfill in the world. US and Israeli citizens rank equal first, with an impressive 730 kilograms of waste per person in 2001, and Australians rank a respectable fourth, with 690 kilograms. Some rich countries are much less wasteful: New Zealanders, for example, created only 400 kilograms of waste per person, while Canadians confined it to only 350, less than half that of their cousins across the 49th parallel.

But waste is inseparable from the spread of affluenza. Marketers work hard to create the idea that the goods they are selling are desirable even though they know that, once they have succeeded and a sale has been made, work must immediately begin on the process of selling a replacement. *Buying* brands, not consuming them, increases profits.

Slowly but surely over the last two or three decades most citizens of rich countries, under relentless pressure from advertisers and the effects of affluenza, have moved from asking themselves ‘Do I really need a new one?’ to ‘Why should I make do with the old one?’

When it comes to the problem of how to deal with the piles of waste we produce, the focus is typically on where to bury it—not where it came from. The long-term solution to mountains of waste is not more landfill sites but fewer shopping centres.

In the world’s rich countries, government agencies with the task of reducing the amount of waste going to landfill are facing a crisis. Recycling can offset the growth in waste for a few years, but we seem to be reaching the limits of our willingness to recycle, and growth in consumer demand is now overwhelming our concern for the environment.

The news is going to get worse. As I have said, rich households waste more than households with moderate incomes. More worryingly, wealthy people are less likely to feel guilty about spending wastefully. Many Australians are now simply too wealthy to care or too busy to bother thinking about the goods and services they really need.

Average incomes will probably double in the next 35 years, and this bodes ill for the global environment. As we grow richer we are more prone to waste. The trend towards recycling has slowed the volume of waste, but it cannot halt its inexorable accumulation.

### **Space junk**

The waste mentality that infects the modern world extends to places beyond the Earth. Even in space we find the same old attitudes that are the bane of environmentalism – space is viewed as an infinite exploitable resource and a limitless junk yard. Even more disquieting, space is seen by some as providing a refuge for humans should Earth become uninhabitable as a result of ecological catastrophe.

If we destroy this planet, they say, then we'll just go find another. For me, this attitude is as mad as the one now spreading in the US that we should do nothing about global warming because if climate change destroys life on Earth then it must be God's will. Both are a denial of responsibility and a refusal to act.

We are now seeing the gamut of human exploitative activity played out in space, and I believe we will see the phases of the environmental struggle on Earth rerun in space, as if everything we have learned on Earth has no bearing on the big ecosystem in the sky.

Our solar system has become an unregulated dumping ground. For decades space agencies have been using the cosmos as a junk yard. NASA now has a sophisticated monitoring program just to keep track of space debris. There are around 400,000 pieces of space debris that NASA can see and more than a million smaller pieces, the detritus from dead satellites and discarded rocket stages, from large lumps of metal down to flecks of paint.

An object as small as one centimetre across, travelling at an orbital velocity of 28,000 km/h, has enough kinetic energy to knock out an average-sized spacecraft. US Air Force Space Command now catalogues and tracks 8,000 larger fragments so that it will not mistake the re-entry of a piece of orbital debris for an incoming ballistic missile that triggers a nuclear response.

Some debris is deliberately dumped in space – redundant rocket stages, defunct satellites, wayward lens caps and dead batteries are simply abandoned. In 1990, the space shuttle recovered an old satellite and brought it back to Earth. Careful analysis by NASA scientists showed that it was speckled with urine and faecal matter that had been jettisoned by previous US and Russian space missions.

If ever you wondered what happened to astronauts' waste products, now you know. As in Victorian London, it just goes out the window. Of course, the First Law of Thermodynamics tells us it won't just disappear; it goes into near-Earth orbit.

A turd, travelling at an orbital velocity of 28,000 km/h, is not to be trifled with. Next time you lie back on the beach at night and gaze at the firmament – perhaps reflecting on James Joyce's words "The heaventree of stars hung with humid nightblue fruit" – you might also reflect that nightblue fruit is not the only thing hanging in the heaventree of stars, and hope that it burns up on re-entry.

As we have come to expect, the first answer of the authorities to the proliferation of space junk is not to stop making waste but to build barriers between the rubbish and us. The International Space Station – a multi-country venture still under construction – now incorporates a special space shield, known as a Whipple Bumper, to reduce the chances of a serious collision over its life. Use of the Whipple Bumper is expected to reduce the odds of a collision to one in ten.

The Space Shuttle now flies backwards once it is in orbit because the engines at the rear are no longer needed once the shuttle is in space and can be used to absorb the impact of debris hitting the shuttle.

Various schemes have been proposed for dealing with the problem of space junk, including construction of a garbage-collecting spacecraft, building lasers to vaporise debris (Ronald Reagan liked that one), and pushing dying spacecraft further out into so-called graveyard orbits. It's all so familiar isn't it? Real end-of-pipe mentality. The garbage tip smells so build a wall around it. When the wall fails, move the tip somewhere else.

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What is it about humanity? No matter how much we have we seem so obsessed by the desire for more. Why do we want to transform every natural place into something for our own short-term benefit? Why must the demands of the economy always prevail over the integrity of the natural world?

In consumer societies such as Australia, I think this urge to tame and control Nature is really a means of avoiding examining our inner selves and facing up to the emptiness of the modern consumer life. Of course there are powerful forces that have a great deal invested in the emptiness of consumerism and it is they who repeat the mantra ‘growth is good’ endlessly.

For them, environmental problems, including the problem of waste, must always be treated as technological or engineering ones. This is a mistake. For environmental decline really goes to the heart of our culture and our social structure. And unless we are willing to bring about the transformation of ourselves I think we will blindly consume ourselves to death.

But there is cause to be optimistic. Not far beneath the surface most people, especially in affluent countries like Australia, have a gnawing doubt about the value of a money-driven life. In our Australian survey we found that, despite most Australians saying they can’t afford to buy everything they need, 83 per cent also believe that our society is “too materialistic, that is too much emphasis on money and not enough on the things that really matter”. They suspect that the money society is at the root of the decline in values.

It is in showing the link between the money society, excessive materialism and the decline in values, and then painting a picture of a new society that is less selfish and materialistic and more devoted to the “things that really matter”, that will allow us to find a true path to sustainability.