

Social and Environmental Awareness in Consumption

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Abstract

The present research is proposing to use a different consumption conception which could help to amalgamate the main theoretical basis with the paradigm of sustainability. This new approach to consumption we call it consumption with social and ecological awareness. And its pretention is walking towards a more sustainable production in the short time.

Keywords: *awareness, sustainability, consumption, production, products*

Introduction

The western life style and, thus, of consumption are spreading quickly at an international level. There is a homogenization process of the consumption habits worldwide. The situation is inducing the concentration of a huge quantity of the basic food production for human consumption and other goods and services in some few companies. Namely, the production processes and their techniques are being standardized and concentrated. As an example, there are four or five companies that control the animal genetics sector (Hendrix Genetics, Tyson, Genus, Erich Wesjohann Group). They select fowls, bulls and pigs in order to create uniformity between races. The ten major fodder enterprises, between them Cargill, Tyson, Purina, Brazil Food(the merger between Sadia and Perdigao) and other Asian ones control 52% of the global market. They decide what will be used as fodder by manipulating the market in order for the livestock to must be fed with corn and soya, which is a big business opportunity for the cereals' producers and for Monsanto, Syngenta and other transgenic producers. The production and distribution of meat is, as well, in the hands of few companies, including some of the links above mentioned (Ribeiro, 2012). Something that boosts and contributes to the existence and generation of the last situation is that the commercialization of that production globally is carried out by few enterprises or commercial chains.

If there is such a concentration, it would be feasible to find economic and normative tool that would coerce this little amount of companies to use more sustainable ways of production. These might have the goal of protecting the environment, and looking for the equity and the welfare of the world's population, therefore, establishing economic development and growth that are compatible with the environment's protection and caring, the nonrenewable resources, the equity and the social wellbeing.¹ However, the economic dominion that these big corporations have acquired, instead of making the regulation feasible, is making the job tougher. This is due to the oligopolistic character that they have acquired that permits them to fix prices and quantities in the worldwide markets, among other aspects.² These are companies, under the rationality theory, which can be understood as the capacity that lets someone or something to think, evaluate, understand and act given certain laws of maximization

¹Sustainable production should be understood as a productive process or processes of goods and services that minimize the usage of natural resources and the emissions to the environment (toxic material, residuals and pollution), as well as in the improvement of the social-economic performance in several stages of the life of the product, easing the link between the economic, social and environmental dimensions within a company and through the whole chain of values.

²“True, the largest of the multinational companies do have the money, resources, and the influence to play a substantive role in the international politics, and their ability to operate in multiple countries limits the capacity of any one government to regulate their actions.If an international conglomerate can operate in dozens of countries at once and headquarter whatever taxes and regulatory oversight are leastburdensome,what chance do governments have to attract business and create new jobs? How can government fill state coffers with the tax revenue needed to provideservices like security, schools, ports and other public goods? (Bremmer, 2010:16).

and consistency in order to satisfy a goal or purpose will be looking to maximize their benefits given a budget constraint. In this sense, if the environmental protection, the equity, and the population's welfare, do not get them any economic profit, the companies will not have any reason to care for them.

Given the above, from the approach of this work, it would be possible that the change towards a more sustainable production would be boosted from the demand side, forcing, by means of a higher consumption of this type of products and services – of more and more individuals-, the companies, to change their production processes towards others that are more sustainable. The idea would be to promote between and within families a consumption, which should rise through time, of goods and services with sustainable characteristics. This can be generated, in part, through the awareness of the damage that each individual's non sustainable consumption is causing to the environment: the deterioration of the natural resources and the intensive use of nonrenewable resources. Furthermore, in the social aspect, the inequality that is generated by the lack of competition between enterprises and which is injuring the social fabric could be reversed.³ Thus, it is necessary to generate a transformation of values, beliefs, attitudes towards consumption in favor of an economic development that would be in harmony with the social and ecological ones, in this way, the bases of what could be an economy with a more sustainable development, increasing through time, might be settled.

Consumption

Considering that the consumption, in the main economic theory in economics, follows the same rational laws as the enterprises, it is, the consumer maximizes their utility (understood, this last, overall, as the tastes and preferences of the consumer, without going beyond) subject to a budget constraint. Again, the rationality would be the capacity that lets the consumer to think, evaluate, understand and act given certain laws of optimization and consistency for, by this means, carry out a certain goal or purpose. Because of that, it is assumed that the consumer will make the best choice possible given the above criteria and the consumer has information that is complete and timely when taking his or her decision. Namely, given the prices and their budget constraint (their purchasing power), the consumers will choose from among all the alternatives that they can pay, the best one. In order to make this situation more visible, the theory states clearly what can be understood as rationality, which basically has two axioms:

1. Completeness: The individual has a well-defined preference between two possible choices. The choices can be comparable all the time. This might signal that the consumer choices are taken in a meditated form (they are analyzed and evaluated).
2. Transitivity: If the consumer prefers a certain consumption basket (x) over an (y) basket, and prefers (y) over basket (z), therefore, by transitivity, the consumer prefers (x) over (z). In this sense, it is stated that their preferences are consistent and coherent⁴ (understand their priorities and behaves in agreement with them).

It should be mentioned that in this sense, Villar (1999: 27) states: *What is important for the economic theory is that the preferences of the individual can be established as a pre-order, without trying to analyze the motives that lead the people to have those preferences. As it is well stated, if the motives stay out of the picture, the quotidian decisions that the consumer takes are reduce to tastes.*

Nevertheless, there is a question to be asked: what can be understood for tastes? Among the definitions that we find online in official dictionaries⁵ the ones that are most to the theoretical approach are: a) the way in which each individual appreciates a certain thing, b) the pleasure or delight that is experienced with some motive or it is received from anything else, c) own will, determination or freewill. The first two are related with choices that are guided by the senses and, therefore, the perception (which can be understood as the inner sensation that results

³We are talking about the inequality that discourages the individual effort and denies the social mobility. It is when the citizens with less income feel the social situation as unfair, because they consider that their effort is not taken into account and see the social mobility as something unreachable, thus, their quest becomes expensive and uncertain.

⁴ They can be understood as the logical behavior that is consequent with a previous position taken. Again, the logical behavior can be understood as the availability to use the laws, modes and shapes of the scientific knowledge. The first one is a definition and the second one is a combination of two definitions that were consulted in the dictionary of *Real Academia de la Lengua Española* (as this work was originally written and published in Spanish), in <http://lema.rae.es/drae/>. It is worth to mention that the scientific knowledge in the one that is obtained through methodological procedures, with validity claim, by using a systematic analysis, logical reasoning and that is trying to answer a certain intentioned inquiry.

⁵ As this work was originally wrote and published in Spanish, the dictionary of the *Real Academia de la Lengua Española* was used when looking for the definitions.

from a material impression that has impact in our senses).The last one has to do with the faculty that a person possesses to adopt a choice over another, with the exception, of being a desire that is not controlled by the reason, but by a whim.

Thus, the rationality would not have that wide meaning that the theory tries to entail and that reduces overall in two axioms. By reducing it into tastes, it is prioritized the mathematical structure and the construction of the preorder that tries to mimic the number line's order, thus, the richness of the concept gets lost. Therefore, the completeness should have to be a meditated decision, in the sense that it should be the determination to apply with profound attention the thought to the consideration of something – in this case, the choice between one basket or another-.If it were a decision thought and evaluated one, the only way in which it could be comprehended, would be that the consumer had all the information of the products that they are going to purchase (the inputs that were used in its production, the chemicals that it has, the ration in which the inputs are combined to produce the output, the effects that one or another input may have in the consumer's health, the tools that were used for the production, the way in which the output was produced, the durability, the environmental impact, etcetera). Scilicet, the consumer, at the same time, should have chemistry, nutriologist, engineer, medicine, ecology and other subjects knowledge that are related to their choice of one product over another. In the theory, this aspect is not regarded, since in an economy that has an ideal-theoretical behavior of perfect competition, the prices are the instrument that ultimately conveys the information (complete and appropriate) of what is happening within the markets. If this ideal behavior is the one that prevails, the consumer should only be worried about choosing the basket that is the best for them given the prices and their budget constraint. Namely, the quality, which can be understood as the as the characteristic or set of characteristics that are inherent to something, that let someone to value it, and the product differentiation should be strictly related to the product's price and given the budget constraint, will signal the consumer the quantity and quality that they are able to choose –the budget constraint, thus, will be the limitation for a consumer to purchase the best products, however, given the complete information, the consumer should know it-. The company in a system of this type would be the first one concerned and interested in supplying the best products, so therefore, it will be able to get parts of the demand from other competitors, given that the ultimate goal of the company is to maximize it benefits given its budget constraint. The previous just happens if there exists complete and appropriate information (given an existing technology), because it is the only way in which the perfect competition could be generated, and this last one may conclude in an improvement of the society's welfare. Therefore, given the current knowledge, the sustainability, the individuals' health and the social well-being are characteristics that would be of interest for the companies only if they help the company to increase their benefits or to decrease their costs, that is, if these elements are part of the demand.

The problem with the previous theoretical proposal is that the daily consumers' demand that is carried out in, any of our economies, it is actually done through imperfect competition (economies with the existence of monopolies, oligopolies, barriers to entry, State's intervention in the economy, and more other restrictions that impede the ideal performance).⁶Within this behavior, the prices do not send correct information to the consumer, thus, it is created a phenomenon named "noise inside the economy", and in some cases, there is a cost in order to get the appropriate information. As Stiglitz mentions (2002:97) *the information influence the decision making in any context –Not only within the enterprises and families environment*. In this case, the previous statement is no longer valid and the consumer will be forced to use their own knowledge about the product they want to purchase –the knowledge that obtains by themselves and the one that obtains socially (marketing, information that the State supplies or any other media, friends, family, etc.)- and its characteristics in order to choose among available products in the economy. Prices continue to influence the individual's choice, having a higher impact on the budget's constraint side than on the information that they may provide.

⁶“Summarizing, there are two types of trading: one, elemental and competitive, because it is transparent; the other one, sophisticated, superior and dominant. Neither are the same mechanisms, nor are the same agents the ones that rule these two types of performances, and it is not the first one, but the second one, where the capitalism lies and is settled” Braudel (1986:69-70).

Finally, it is worth to mention that a similar situation to what was stated above could be thought and understood for the law of coherency for decision making. Namely, this law should arise from a systematic consideration, from the logical thinking and should respond to an intentioned pursuit by the consumer, for which again, the information that the individual has or may get about a product or a basket will play a crucial role.⁷

Consumption with social and ecological awareness

By following the approach of Lancaster (1966), although, from another perspective, we suppose that the goods by themselves are not the only ones that give the consumer utility, but that the proprieties and characteristics of this good give the consumer utility as well.⁸ In this sense, the information that the consumer may get about these characteristics will be really important when making a consumption choice and even more in noncompetitive economies. However, to get this information, in this type of economies, it is required a lot of effort and time, which has a cost. In this sense, the problem of consumption choice becomes complex and is difficult to give it a general treatment. In this work, we will be focusing in just one specific point of the information that deals with the issue of if the goods that each consumer demands are produced in a sustainable way or not. It is worth to state that the sustainability's dimension is as well really wide, as it contains economic, social and ecological aspects. However, for our purpose, this heterogeneity will be in function of the consciousness that the consumers have about the consequences that using one or another product would produce. Namely, the sustainability's dimension will have to do with the capacity that the consumer has to learn, comprehend and judge their own social actions and the effects that they have in the environment. In this way, the individuals will take their decisions in function of the knowledge they have about the production processes and the final products and how they affect the environment (the ecosystems, the individuals and the society as a whole). This previous stated process, in this paper, will be named as **consumption with social and ecological awareness**.

From this perspective, we suppose that the goods of our economy could be differentiated only by the ingredients they contain or the form in which they were produced. As Galbreth and Ghosh point (2012: 128): "*From a consumer's standpoint, sustainability considerations are typically separate from the characteristics of the products themselves*". Therefore, the sustainability will be another dimension that distinguish the product and it must be taken in consideration when the consumer makes a decision that, given our proposal, will be sustained in the information that the consumer possess at the moment of purchasing a certain product. For example, the considerations that the consumer has about the materials with what it was made certain clothes are different from those that you value in terms of the own characteristics of the product when buying it, as: the adjustment, the design, the softness, the color, etc. Or the considerations as to the form in which a beef was fed would be different from the ones that the consumer has for the final display of the product (when buying the meat).

The sustainable dimension will be known first-hand by the producer (supply side), but not by the demand side (consumers) of these products. Because of that, the relevant information for the consumer in the sustainable dimension would be the one that will let him to distinguish a product that was produced in this way from another that was not. The information available to an individual and to the society will be crucial to understand how to choice certain baskets of consumption among all that are available to choose from. In the understood that the information can be regarded as an ensemble of ordered and processed data, whose rational use will be the base of knowledge. Therefore, it would be able to change the state of understanding of one product or an ensemble of them in an individual or the society because it will allow them to take or change their decisions. Although, as it is

⁷In fact, some authors like Mas-Colell, Whinston and Green (1995:7-8) mention that there are transitivity troubles form the perfect competition approach: this does not hold true when the differences between similar products or substitutes are barely perceptible, when there are certain ways in which the different decision making choices are shown or when there is a change in the consumer preferences. Issues that intend to remark a bad use or development of the human senses (as a physiological mechanism of perception) or its inability to differentiate between products or situations. However, these troubles have to do as well will the lack of information of the consumer about the product itself and any information that is link to it.

⁸There are authors as Román and Montero that mention that from a philosophical perspective, essayists as Lipovetsky have put emphasis in the hedonism that be seen in our current era, showing that we lie in an hypermodern society that emphasis the use of senses, in a culture of individual pleasure, in the privatization of the pleasures that are linked with the opportunities that the consumption can give and which are related to happiness (2013:200). Because of that, the consumption is perceived in function of making happier individuals, and every scope recommendations and counseling about how to reach happiness, but at the same time that boost the consumption possibilities, the worry about the deterioration of the ecosystems increases... (2013:204).

well mentioned by *Olshavsky and Granbois(1979)*: “However, a great deal of consumer behavior does not involve extensive search for information or a comprehensive evaluation of the choice alternatives, even for the purchase of major items”(cited in *Zaichkowsky, 1985, p. 341*). In the presence of a unconscious or uninformed consumer (in the sense that they cannot visualize the impact of their acts) and imperfect competition, the majority of enterprises will have no incentives to do that their prices mirror the quality of their products – the quality can be understood as the set of inherent characteristics of a product or service that give it the capacity to satisfy the implicit or explicit needs of the consumer-, the way in which the good was produced or its durability.

The majority of the information that the consumers obtain nowadays is by means of marketing advertisements that the companies develop which is more linked to the satisfaction that the product may produce rather than its intrinsic characteristics. As less consciousness or information the consumer has, more fatuous information about the characteristic of the products is shown in the advertisements. Thus, the State should regulate this information, however, given the domain and power that some of these companies have reached; there are few governments that have or could have power to do it.

Proposal

A distinctive characteristic of the microeconomic theory is that it aims to model the economic activity as iteration between individual economic agents, which pursue their own private interest. In order to do this, the first thing that should be questioned would be how do these individual decisions are taken? To carry out the above, the main and first assumption is that in an economy there is an ensemble of possible choice decisions that any individual has and which are mutually exclusive. Therefore, it is needed a relationship that should let arrange the individual’s preferences. For that, the binary relation which is denoted by \succsim is used. This symbol can be interpreted as *it is at least as good as*. Following the previous statement, the consumer’s decision in a market economy is to choose the quantity of goods and services that one wants – among all the available within the economy- by ordering their preferences. For simplicity, it is assumed that the quantity of goods and services that are available in the economy is finite and equal to a determined number that, in this case, we will name K . The quantity of goods and services that an agent wants to purchase in a certain moment is named as *consumption basket of the individual*. This one can be represented with a point, in the total set of goods and services, which we named B . For simplicity, $B = \mathbb{R}_+^K$; this is, the set of B (the set of real positive numbers), has as elements all consumption baskets that an individual can choose from.

Then, the proposal in the present’s paper is that within this total set of goods and services there are both: goods and services that are produced in a sustainable way (a little percentage of the total) and goods that are produced without taking in consideration their sustainability. We assume, also, that the goods and services that are produced in a sustainable way can only be differentiated from the other ones by these characteristics – the way in which they were produced- and, in general, for maybe having a higher price.⁹ With this characteristic, in a neoclassical market approach, where the information is complete and timely, the baskets that are chosen by any consumer can be composed by sustainable goods and services, non-sustainable goods and services or by a combination of both. A basket, or available consumption, is a vector K which lies in the B space. Because of that, the different baskets can be represented in the following form:

1. Goods that are produced in a non-sustainable way (NSG):

$$b^{NGS} = [b_1^{NSG}, \dots, b_j^{NSG}, b_{j+s+1}^{NSG}, \dots, b_k^{NSG}] \text{ for } s = 1, \dots, S; \text{ such that } S \lll K$$

Where the symbol \lll has the meaning of: considerably less than

2. Goods that are produced in a sustainable way (SG):

$$b^{SG} = [b_{j+s}^{SG}] \text{ for } s = 1, \dots, S$$

3. A combination of both (GC):

⁹Goods and services that given their production conditions are usually more expensive. But leaving aside these two characteristics are or can be perfect substitutes (the presentation may not vary much). As an example, two waistcoats with the same design, the same confection and the same color, that in appearance may be similar, but one of them was elaborated with fiber and natural colorants that were produced in a sustainable way and the other that was produced in a non-sustainable way or with artificial or synthetic fiber. Another example can be the beef, where the sustainable production is the one that does not use hormones or antibiotics and the cattle is only fed with grassland. On the other hand, the cattle that was fed with grains, and were used hormones and antibiotics to produce fast growth. In both cases the goods will be perfect substitutes for an individual who is not conscious of the differences.

$$b^{GC} = [b_1^{NGS}, \dots, b_j^{NSG}, b_{j+1}^{SG}, \dots, b_{j+s}^{SG}, b_{j+s+1}^{NSG}, \dots, b_k^{NSG}]$$

All these possible consumption baskets will lie in the space of goods and services and can be represented in the following form:

$$4. B = \mathbb{R}_+^k = \{b \in \mathbb{R}_+^k : b_i \geq 0 \text{ for } i = 1, \dots, K\}$$

The possible higher prices of the products that are produced in a sustainable way in this case can signal, besides higher costs of production, quality or attributes, the effort, in the current stage of knowledge of some companies for the preservation of the environment. This last one is a dimension that is not widely considered within the competition environment of enterprises, but, we assume, it has a market niche for some of them. This last statement, we assume, sine qua non, that there are consumers that are conscious of the problems that their daily decisions can provoke. This is in the sense that, given that the product does not have an immediate negative repercussion in the individuals themselves, their place of work or abode, or place in which they are used to do some activities – when the individual consumes them or use them-, the consumer will not take them in consideration. In general, the effects have a long-term impact and firstly are noticed as a social problem rather than an individual one. Sen (2011:52) from his perspective mentions: *Nonetheless, it is worth to state that the market's mechanism is not the cause of the problem, but the conduit. The market system shows, in a particular way, the preferences that people set forth in their economic behavior. If the individuals are only worried about their specific benefits and losses, the market will as well limit its calculations to those costs and profits in particular, ignoring the impact of our actions in an unprotected environment.* And he also states (Sen, 2011: 53): *“To some extent, the institutional way and the valuation way (based on society's and individual's values) offer different ways to offset what the market does not take in consideration. We could find a solution (1) by increasing the concerns and the values that are reflected in our choices and actions...”*

In this sense, we can divide the consumers between the ones that are conscious of the existence of these types of goods and are aware of the sustainability problems and the ones who are not. We assume that the first ones are a small percentage of the total; namely, the majority of the consumers are unaware, in the sense that they cannot see the consequences that their individual consumption actions have in the spoilage of the environment (they would not be interested in where the products come from, the resources that were used to produce them, their durability, and the impact of these at the end of its useful life, among others). The consumer that we name unconscious (Un), although it will not give equal to consume one product that other, if consumer having no enough information, and it will be more interested in the appearance and the price of the product rather than its intrinsic characteristics – the way it was produced and the inputs to produce it-. Therefore, the utility of this consumer will be in function of the goods that they consume, which is the traditional neoclassical way to do it (we assume that the consumers have a standard information that serves as a way to have notion of certain characteristics. Thus, they will choose the product basing on their senses and the price without going any further).

$$5. U^{Un} = U(b_1, \dots, b_k)$$

These consumers, we can assume, would be demanding baskets of products that were not produced in a sustainable way. However, it can be a possibility that, in a lucky way, they were demanding consumption baskets made up of a combination of sustainable and non-sustainable products. For an unconscious or without enough information consumer, the choice they make would be based on their preferences and desires and it can be the case that these desires would concur with sustainable products. However, until this point we have not considered the price as a factor. This last one could be an element that could lean the scale towards the consumption of non-sustainable products for this type of consumers, given that, nowadays, we can assume that to produce in sustainable way is expensive, because of the production process that is involved, the inputs used and the time spent. For example, the beef could be produced in reduced stables, hoping the cow or ox would not move too much and do not waste energy, for this way them to become fatter in faster, when being fed with corn or sorghum, which has a low cost. Conversely, the beef can be produced setting the cows free in the fields, feeding them with pasture, the process to grow and become fatter will be more retarded and more expensive. The final product for this kind of consumer is a perfect substitute and if the price is nearly the same between them, they could choose one product or another without any inconvenience. Although, if the price is different, given the above stated, we can assume that would prefer the product that has the lower price.

Therefore, their budget constraint could have the following form:

$$BC^{Un} = P_B B + P_Z Z \text{ where } BC \text{ is the budget constraint and } P_Z > P_B$$

6. If $B = b_1^{NSG}, \dots, b_j^{NSG}, b_{j+s+1}^{NSG}, \dots, b_K^{NSG}$ and $Z = b_{j+1}, \dots, b_{j+s}$

So that: $\frac{UM_B}{UM_Z} = \frac{P_B}{P_Z}$

The demand of goods will depend on the relationship between the prices of sustainable products and the non-sustainable ones.

When assuming that in the current moment the prices of the first ones are strictly higher, there will be a tilt towards the second ones, namely, this type of consumers will be purchasing these products more. Given that, we could say that for this type of consumers the products that were produced in a non-sustainable are preferred to those that were produced in a sustainable way ($B > Z$).

On the other hand, we would have an amount of consumers that we would name as conscious (Con), who would try to purchase and consume products that were produced in a sustainable way. They will be more interested in the way in which the inputs and the outputs are produced rather than the final display of the product and its price – they will be consuming the goods that were produced in a non-sustainable way only if they were needed for survival or if all these do not be produced in a sustainable way-. We can assume that the consumer that has consciousness would be one that has more information that the average consumer and the ones that lie in the superior boundary of information would have nearly the same information as a producer. The utility of this type of consumer, besides the quantity and the final display of the product, will be in function of the information available about the intrinsic characteristics of the products (I). In this sense, Bei & Simpson (1995), mention as well that the sustainable dimension impacts the consumers’ decision-making process, since, besides the direct utility that the product gives to a consumer, their act with plenty conscience would furnish the consumer with psychological benefits that need to be taken in consideration within the utility function, that is to say: “Such issues have been noted to affect the consumer decision-making process by providing psychological benefits, which are realized in addition to the direct utility obtained from the product (cited in Galberth and Ghosh, 2012, p.128)”.

$$U^{Con} = U[b_1(I_1), \dots, b_K(I_K)]$$

If the conscious consumer has nearly the same information as the producer (total), they will attempt to purchase sustainable products only – if there are not other possibilities that might lead the consumer towards another choice-. Therefore, the following could be stated:

7. $U^{Con} = U(b_{j+1}, \dots, b_{j+s})$ given a total information I^T

However, for the case of this above consumers, it should be consider that to get the information has a price, because it requires time and effort. Moreover, the recognition that these type of products that are purchased would have greater prices. These two facts will be affecting the consumer’s purchasing power. If we had two consumers who were similar in income and preferences, *ceteris paribus*, but the first one is conscious and the second one is not, given the above circumstances, the purchasing power of the first one would be lower, namely, they will be purchasing a lower amount of products (sustainable ones, of course). The information effect will have a direct impact in their income, given that the consumer will be spending time in this task and not in making more income. The price effect, for its part, will have a direct impact in their purchasing power. If we guide ourselves strictly with the microeconomic theory which states that consuming more products, given our preferences, will lead to more utility for us, the first consumer conditions will be worse than the second ones. Nonetheless, if we consider the impact that the products have in the physical and mental health (which can be psychological as above mentioned) in the consumer, the environmental impact and the social conditions that are generated from the consumption decision, in fact, the utility of the consumer would be given by, besides the consumption and the enjoyment of the products, the effects that this decision has on the environment, this last one, clearly, under the assumption that the goods that were produced in a sustainable way produce a synergy that has auspicious effects in the environment. The consumer obtains utility from sources that are not considered in the predominant theory and which go beyond the quantity. As Lien-Ti and Eithel (1995:258) mention: “*On the other hand, the psychological benefit is a positive feeling about the purchase, for example, self-images built from buying a special product or a feeling of getting a deal due to a low price*”. A psychological utility that within this context could compensate the loss in the quantity of the products consumed. It can even be stated, in that sense, that giving up more products for less, could, in fact, give more utility.

In this case, given the assumption that these consumers are only getting this type of goods, the analysis would be the same as the one of the predominant theory, but with the difference that we are talking about a specific subset

of the set of goods and one of the consumers. For example, if we consider that there only exists two of this type of goods we would have:

$$8. U^{Con} = U(b_{j+1}, b_{j+2})RP^{Con} = p_{b_{j+1}}b_{j+1} + p_{b_{j+2}}b_{j+2}$$

$$\text{Therefore: } \frac{UM_{b_{j+1}}}{UM_{b_{j+2}}} = \frac{p_{b_{j+1}}}{p_{b_{j+2}}}$$

An increase of the relative price of the good $p_{b_{j+1}}$ in respect to $p_{b_{j+2}}$, constraints the demand of $p_{b_{j+1}}$ and increase the demand of $p_{b_{j+2}}$ or vice versa, as long as the income remains constant. The assumption of total information could be a heroic assumption in this case, but it can be thought as an ideal case, in some sense in a similar way as the predominant theory does. Or as an extreme case, from which, this assumption could be somehow degraded in order to be able to do other analyzes.

Some results

As Lancaster mentions (1966:132):“All intrinsic properties of particular goods, those properties that make a diamond quite obviously something different from a loaf of bread, have been omitted from the theory,...”. In our case we refer in specific to the properties that make a difference between production ways and, thus, the intrinsic characteristics of goods, form the point of view of what in this paper we named as consumption with social and ecological awareness, schematized, after all, with what we named as sustainable products and non-sustainable products. With that we divide the set of goods within the economy and the consumers. We assume that the number of products that were elaborated in a sustainable way is smaller than the whole number of products produced in the economy, as well as smaller than the amount of consumers that purchase them. In this way, how the problem has been exposed, there are two factors that are causing this division: the price of the products and the consumer awareness (that we relate with their information). We can assume that these last two characteristics change or have different nuances between regions and countries: in the developed countries it can be thought that there would be more consciousness and a smaller difference between prices. Although, the latter may be changing faster given the commercial opening and, thus, the exchange between products that exist among plenty of regions and countries. If the assumption of discrepancy between prices is relaxed, the consciousness would become the major thing in the division.¹⁰ Either way, under this new situation, the consumer has the opportunity not only to choose based on their preferences, but also in something that we name as information about the harm that a non-sustainable consumption may be causing to the environment. Namely, aspects like the social and the ecological one would be taken place as factors that influence the consumer’s decision making at an individual level.

In an ideal world, where the consumer is getting more aware and conscious of the difference that exists between a product that was produced in a sustainable way and another that was not (in the sense of how do they affect and how will they affect the environment in the future, the equity, the welfare of the population and, therefore, the consumers themselves), we can think that these would be decanting more each time and in a higher way for the goods and services that were produced in a sustainable way, having in mind the possible positive effects that this action would have in the economic, ecological and social ambits in the short and long term, for the individual, the society and the whole planet. In this sense, the production processes would have to become sustainable and the number of sustainable products will increase within the markets. When all products and services are produced in this way, the neoclassical approach of the consumer behavior would become valid again (under the assumption of perfect competition).

Conclusions

Nowadays, only few enterprises have decided to implement sustainable production processes. What is most common is to find prominent companies worldwide that have implemented this aspect, not in its entirety, but in some production processes. Some of these ones promote the sustainable development hypocritically, as a way to make themselves known and to get some reputation within the society and they look for the individual benefit. As Clark accurately stated (1995: 232):“*Promoting Sustainable Development is an avowed goal of General Motors Corporation. GM consistently opposed environmental regulation. It now touts its fuel economy improvements since 1974, though it has always opposed federal standards and any rise in them. Meanwhile in Sao Paulo, Brazil, GM’s huge plant refuses to comply with Sao Paulo State water quality standards. Employing thousands of*

¹⁰The baskets combined could be a more habitual choice among the unconscious consumers, with the exception, that these choices would be normed by their preferences and not by more information.

people, GM threatens to move if coerced". Because of this situation, the proposal of this work is boost consumption with a social and ecological consciousness that from the demand side coerce in an authentic way a greater quantity of companies to change their production processes towards sustainable ones. The information for this purpose seems to be a powerful tool, but also delicate.

For that, there should be a complicity State-society, in a solidarity sense, in order to promote this information in the most transparent and precise way possible, given the knowledge and the existent technology at the moment. If this last one happens, a greater number of individuals could be aware of how their purchasing power can make a change of one productive system based on the individual profits to another that it considers a sustainable development.

This paper does not state a process of disruptive change, conversely, a continuous one where the speed will depend on, in a greater way, disposition of the State, the social pressure and the enterprises themselves to spread the information, and, in this way, the consumers be able to acquire more social and ecological consciousness. As this happens, the purchase of sustainably elaborated products would be increasing and the companies, given their financial possibilities allow it, would be able to change their production processes towards ones that are friendlier with the environment or, as the main economic theory states, just close and give way to new visionary entrepreneurs who can do it.

By last, we have to mention that we are not establishing that the consumer' consciousness is the panacea to eradicate these problems, but that it is another element that may lead the society towards a more sustainable development.¹¹ Besides, at least since the 80's, there have been initiatives to generate it, but they have not been really transcendental or have functioned in a slowly way. Perhaps they have had a greater impact in the developed countries; we assume that given that they have a greater average level of education –which has repercussion in the social consciousness-, although the State intervention should have played a crucial role for that. In the document named as *United Nations Guidelines for Consumer Protection* that was published by the United Nations (UN), within the Section B, since those year it was specified that nations that were affiliated to the UN were supposed to act in this way:

22. Promotional marketing and sales practices should be guided by the principle of fair treatment of consumers and should meet legal requirements. This requires the provision of the information necessary to enable consumers to take informed and independent decisions, as well as measures to ensure that the information provided is accurate.

23. Governments should encourage all concerned to participate in the free flow of accurate information on all aspects of consumer products.

24. Consumer access to accurate information about the environmental impact of products and services should be encouraged through such means as product profiles, environmental reports by industry, information centres for consumers, voluntary and transparent eco-labelling programmes and product information hotlines.

Something that has been achieved, in some way, in very few countries or in specific products.

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¹¹ In the general law of ecological equilibrium and environmental protection in Mexico, it is established that the sustainable development is the process that can be evaluated by means of criteria and indicators of environmental, economic and social nature that tend to enhance life's quality and the people's productivity, which is funded in appropriate measures of prevention of ecological equilibrium, protecting the environment and exploitation of natural resources, so that the satisfaction and the needs of future generations would not be threatened. <http://www.diputados.gob.mx/LeyesBiblio/pdf/148_090115.pdf> [Got on April 9 2014]

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