

#### Climate change: The role of consumers

Executive summary and final report (condensed version) June 2019

This study aimed at answering the following questions: What do Canadian consumers require to play a role in fighting climate change? Currently, what role can they play? What choices do they have? What incentives would be appropriate to encourage them to make consumer choices most beneficial for the planet?

We chose to examine those issues in relation to four budget items: food, transportation, housing and savings. The first three are most important in terms of a carbon footprint; the fourth may constitute, for the consumer, an important means of action.

In the first part of the report, we addressed the issue of what role consumers can play and what is government's responsibility. We identified recommendations generally made to consumers by various actors about GHGs, and we conducted a field survey on a number of environmentally responsible purchases available (or not) to consumers.

#### Main recommendations: findings and priorities

### 1. Food Eat only, or mainly, plant proteins

GHG emissions related to livestock farming constitute 14.5% of total emissions of human origin. Worldwide, livestock farming is associated with major deforestation that directly produces GHGs (because trees, when they are felled, release their carbon, either immediately when burned or over ten years as they decompose). Moreover, using land for livestock farming implies the rejection of other uses that would have beneficial effects, particularly reforestation that would capture carbon. Breeding of cows and sheep is especially harmful because they release high levels of  $CO_2$  when digesting as compared to poultry and other species.

- The recommendation, deemed essential by many scientists and environmental groups, to reduce or eliminate animal proteins does not seem to be supported by governments in any significant way and is not widely understood by the public.
- The information available to consumers on this subject, unless they are professional researchers, is contradictory and fragmentary.
- The "zero deforestation" label proposed in France, and the proposal to establish mandatory labelling of food according to its environmental footprint, are examples of actions that governments can take to ensure that consumers are provided with information.



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## Eat food of local origin

By purchasing local produce, we avoid GHGs caused by the transportation of food over long distances.

- Our survey of fruits and vegetables showed that local produce was not always available in stores.
- Moreover, consumers have no way of knowing the actual origin of many foods sold in retail outlets.

#### Shop in nearby stores

By shopping in nearby stores, we reduce GHGs caused by the foods' last kilometres of transportation, which generally produce the most GHGs.

• Due to urban sprawl, food deserts and suburban layouts, many Canadians do not have access to fresh foodstuffs near their home.

### Choose unpackaged produce, or avoid plastic, or avoid non-recyclable plastic

Plastic manufacturing generates GHGs. Plastics also generate GHGs at the end of their life cycle, when they degrade in sunlight or are immersed in water.

• Plastic packaging is difficult to avoid, because it is used for so many products. Moreover, consumers do not have the information they need to distinguish between recyclable and non-recyclable plastics, or to make the best choices to reduce GHGs.

### Food: general findings

- It would be extremely difficult to follow all of the food sector recommendations. Currently, very few consumers would be in a position to meet all their nutritional needs by purchasing unpackaged, plant-based, organic and regionally produced food in a store close to their home.
- The necessity of reducing GHGs caused by the food chain requires major transformations, which we are just beginning to glimpse, in food production and consumption. However, governments have not initiated any discussions about the environmental impact of food (food-related issues do not appear in any of the government action plans related to climate change that we examined in section 3.1 of our report). To play a role in reducing GHGs related to food production, consumers

need quality information, incentives to guide them toward appropriate choices, and support when those choices prove difficult to implement.

### Food: priorities

In the food sector, what can government do to help consumers fight climate change? A few tasks are clearly priorities:

- Launching a massive undertaking to inform and raise the awareness of consumers on the very large impact that livestock farming has on the environment, specifically CO<sub>2</sub> and methane emissions, and on the importance of reducing consumption of animal proteins;
- Implementing a mandatory single label indicating the carbon footprint and real origin of foodstuffs;
- Channeling government subsidies toward the production of plant proteins, and particularly organic production;
- Working to eliminate food deserts by favouring the establishment of neighbourhood stores;
- Initiating in-depth discussions on the role of plastic packaging, in view of regulating it.

### 2. Transportation

In 2017, the transportation sector was the second-most important source of GHGs in Canada, generating 24% of total emissions calculated using the method based on national production (if we were to use the national consumption method, transportation would probably take first place). The recommendation not to drive (or to drive as little as possible) is made by all our sources, which include the federal government, the governments of British Columbia, Ontario, and Québec, the UN, six major Canadian or international environmental groups, and research carried out by academics.

### Choose not to drive (cycle, use public transportation or walk)

- Deciding not to drive is not easy for many Canadians, whether they live in cities or elsewhere.
- It is urgent to slow down urban sprawl, intimately associated with car dependency.
- Massive investments in public transportation are required for citizens to actually be able to travel otherwise than by driving.

## Choose carpooling

- Carpooling can offer an effective solution to the problem of non-sustainable mobility for suburban and rural residents.
- Governments have many ways of supporting carpooling, whether by supporting the coordination of groups, providing parking areas, or creating a network of reserved lanes to which carpoolers would have access.

#### Use car sharing services

• Car sharing is currently offered mainly in large Canadian cities. Possibilities of developing this service in rural areas and small towns should be explored, based on what is done elsewhere in similar contexts.

#### Purchase an electric car

- Overall, replacing a gasoline-powered car with an electric car reduces GHG emissions, the difference in GHG emissions being of course much greater when the electricity is coming from non-emitting sources. But even if all gasoline-powered cars were replaced by electric cars, the environmental problems associated with solo driving would persist (GHGs are emitted when producing a growing number of under-used vehicles, maintaining and extending the road network, manufacturing tires and disposing of them, etc.), along with specific environmental problems (mining, increased electricity consumption, battery recycling, etc.).
- Electric cars reduce neither the number of trips nor the distances travelled, and will not reduce GHG emissions as much as using public transportation will.
- In addition, electric cars still cost too much for some of the people who would need them most: low-income households that could benefit from the fuel savings provided by electric cars.

#### Purchase a more fuel-efficient car

- Implementing this recommendation would have a lesser impact than using public transportation, carpooling or car sharing (or even an electric car);
- Canadian standards for emissions from light vehicles may become more lax now that the US government has reduced its standards.

### Instead of flying, take the train, or stay home

• Deciding not to fly appears to be one of the most significant options a consumer can choose to fight climate change, but the Canadian government does not support this option in any way.

### If choosing to fly, purchase offset credits

• Currently, consumers who want to purchase offset credits must be able to do substantial research in order to make the best choice. Of course, they must also have the financial resources to pay for offset credits.

### Transportation: general findings

• To help individuals change how they move around, federal and provincial governments must take initiatives that are coherent and designed to have a significant impact.

### **Transportation: priorities**

Major projects that should be undertaken urgently in the transportation sector include:

- Halting down urban sprawl and favouring urban density;
- Discouraging solo driving, even of electric cars;
- Massively funding public transportation;
- Favouring carpooling and car sharing;
- Rethinking the city in favour of cycling and walking;
- In all transportation corridors where density is sufficient, building high-speed trains that could replace aircraft.

# 3. Housing

According to the IPCC, 32% of global energy consumption is due to buildings. The quantity of energy consumed by housing should be reduced, and that energy should come from renewable sources.

### Use renewable energy sources

• The conversion of fuel-oil to hydro-electricity (or to another form of renewable energy), even with the support of a government program, is not within the reach of all household budgets.

### Carry out a home energy-efficiency audit

- Since the value of a home energy-efficiency audit is undeniable, it would be appropriate to make it more accessible across the country.
- France's SLIME program has a much broader vision of the energy-efficiency audit than Canadian programs. The SLIME program includes a "sociotechnical diagnosis" and a proactive identification of households that would benefit most from the program.
- The mandatory energy-efficiency rating of homes would enable households to know more about their energy consumption and reduce their GHG emissions.

#### Improve the home's energy efficiency

- In terms of GHG emissions, the actually achievable reductions in the area of housing may not be as great as sometimes claimed.
- The example of the French program *Habiter Mieux* demonstrates that programs intended to help poor families reduce their carbon footprint require special care and long-term commitment.
- Several programs (Warm Front, EcoEnergy Retrofit) have obtained good results by granting participants generous subsidies and guidance.
- A program that proposes to pay for renovations through energy cost savings must guarantee the renovations' energy-efficiency results as well as lower energy bills (Energiesprong rather than Green Deal model).
- It is difficult for Canadian consumers to make sense of the bewildering array of subsidies available to improve their homes' energy efficiency.

### Housing: general findings

• The housing sector involves a specific problem: the "split incentive" that is distributed between owners and tenants. The tenant, rather than the owner, is the person who will benefit from any energy savings or improved comfort resulting from the owner's

investment. And a tenant who might be willing to invest knows that any improvement will become an asset belonging to the owner and increasing the owner's wealth. Thus, the usual economic incentives may not work.

### **Housing: priorities**

Given the trends observed in energy consumption that are associated with housing in Canada, the following actions appear to constitute priorities:

- Encourage consumers to choose smaller homes, by providing them with information, incentives and the support they need in this regard;
- Favour the construction of small apartment buildings and cohousing;
- Ensure that existing homes are upgraded through a national program assisting energyefficiency renovation;
- Establish a national program favouring the purchase of the most energy-efficient household appliances and electronic devices.

# 4. Savings

To meet GHG reduction goals, the savings currently channeled toward speculative and precautionary investments should be redirected toward the long-term funding of low-carbon goods and services.

### Abandon fossil fuels and invest in clean energy sources

- A significant percentage of the Canadian public (30% of citizens 18 years of age and over) have no savings, so simply cannot make any investment.
- While the IPCC emphasizes the necessity of developing financial and banking regulations that grant a central role to funding the fight against climate change, we can conclude from our analysis that consumers who want to put their money to work in the fight against climate change do not have an easy task. Financial institutions' websites do not indicate the actual content of investments, and in many cases only experienced investors can find their way among dozens of available funds.

### **Conclusion and recommendations**

The climate change issue is now part of the daily lives of all Canadians. We hear about it every day in the media and we know we must adapt to it, but must also act to lessen the consequences. But how? given the issue's complexity, it is easy to feel overwhelmed and powerless.

Indeed, consumers know that they have a role to play, but that role and the way to play it still seem difficult to determine. Does the Canadian consumer have at hand all the tools, information and means to get ready for and to make environmentally friendly and informed choices?

After a substantial review of the literature and an in-depth analysis of the main paths offered to consumers in four budget items, we do not think so. Our research did not probe what consumers' role *should* be in the fight against climate change – that is already well documented – but what they *can* concretely do in 2019, in their living environment, in Canada.

Our analysis of the main recommendations made to consumers by governments and environmental protection organizations led to findings on the applicability of those recommendations to the Canadian context. Beyond the findings specific to each recommendation examined, including the main findings presented in the preceding chapter, we draw two broad conclusions regarding the measures studied taken as a whole.

### Changing our patterns of consumption: governments are silent

The role of consumption is crucial in the emission of greenhouse gases, but the choices actually offered to consumers are defined by a society where everything is in place for them to keep on consuming in exactly the same way.

As discussed in section 2.1.3, scientists have identified three major actions that consumers can take to protect the planet: deciding not to drive, not to fly, and not to eat animal proteins. In all three cases, we find that in the background, there are government and industry decisions limiting our ability as consumers to follow these recommendations, as well as a nearly complete lack of credible information, incentives and support that would enable us to make the required choices.

Regarding cars, decisions that have been made for decades have favoured urban sprawl and the way cities and roads are laid out, making cars the priority, and failing to develop public transportation networks that would make it possible to do without them. Today, public transportation is still poorly funded, and while governments plan to improve to it, they continue to insist on the importance of replacing conventional vehicles by electric cars, even though the predominance of cars is specifically the problem that we urgently need to address in order to significantly reduce GHG emissions.

With regard to flying, the Canadian consumer has no access to high-speed trains, bus services have disappeared outside metropolitan areas, and government has recently authorized the arrival of ultra-low-cost air carriers. Government provides no information on the harmful nature of air travel and offers no incentive or support to consumers who would want to abandon it.

Regarding food choices, government is silent on the necessity of eating plant proteins to reduce GHG emissions. One reason for this is presumably the economic weight of livestock farming and the conventional agri-food industry in Canada. The government does not even tell us that a plantbased diet would help us fight climate change; obviously, it offers consumers no incentive or support in this regard. Particularly on this subject, consumers lack the information they need to make the best choices for the planet.

Based on our research focusing on Canadian realities, it is very clear that if we are to fight climate change in any real way, individual choices must be supported by government policies and incentives. Canadian consumers can certainly adopt new habits and change others, but they will have to do so in the context in which they actually live. At times, even if they are well informed, their ability to act will be limited, given the lack of options in their environment (using public transportation instead of driving, for example, is still not possible everywhere in the country).

The inability to act because of a lack of options is one thing. But also, many consumers are not at all aware of the effects that some of their behaviours have on GHG emissions, and without that information, they have no reason to change their habits. The harmful effects of livestock farming and meat consumption, for instance, are not well known: "There is a significant awareness gap around the role of meat and dairy consumption in driving climate change, owing in part to a lack of government and media signalling<sup>1</sup>."

This does not mean consumers should not try to change their habits to act against climate change. But our research demonstrates that the role of consumers depends a great deal on the role played by government and industry.

<sup>&</sup>lt;sup>1</sup> WELLESLEY, Laura, HAPPER, Catherine and FROGGATT, Anthony, *Changing climate, changing diets, op. cit.,* p. 33.

#### Social justice must go hand in hand with the struggle against climate change

The other major finding of this study concerns the inequalities observed in the application of several of the measures analysed. All individuals are not affected to the same degree by the consequences of global warming. On one hand, the most prosperous consumers produce much more emissions than the poorest, and they can, by reducing their consumption, have a major impact on GHGs without suffering material hardship. On the other hand, as explained in the latest IPCC report, populations that are marginalized socially, economically, culturally, politically and institutionally are particularly vulnerable to the effects of climate change. And, in addition, the recommendations addressed to consumers are within everyone's financial reach. Installing a geothermic system, for instance, or buying an electric car cannot be part of every budget – the average after-tax income of 40% of Quebec households is less than \$ 36,500<sup>2</sup>.

The policies and solutions put forward in the fight against climate change must take that reality into account. To that effect, a movement has been launched stating that climate change is not simply an environmental problem, but includes a complex dimension of social justice that must be considered in the search for solutions.

The fight against climate change and the fight for social justice must go hand in hand. They are already related, in any case, since climate change puts added pressure on our public services and finances, with consequences on the funds available for other government responsibilities, in addition to affecting vulnerable populations more intensely. Floods, tornadoes, deadly heat waves, forest fires, coastal areas threatened by rising sea levels, worsening pollution: all this will produce deaths, disaster victims, illnesses, material damage (buildings, roads, infrastructures), and more people living in poverty. The poor will have greater difficulty recovering, since they lack the financial means to take steps to face the new climate conditions, whether in a preventive mode or after a disaster.

As stated by the Coalition Main rouge in a discussion paper sent to its members:

États et villes doivent donc mettre en place des mesures pour faire face à ces situations et avec le souci des plus vulnérables. Tout cela nous confrontera de façon accrue à de multiples enjeux interreliés : environnement, justice sociale, fiscalité et distribution de la richesse. Il s'agit aussi de démocratie, car nous devons pouvoir décider collectivement des actions à prendre<sup>3</sup>.

<sup>&</sup>lt;sup>2</sup> **INSTITUT DE LA STATISTIQUE DU QUÉBEC,** *Indicateurs par quintile, revenu après impôt, ménages, Québec, 1996-2016*, online: <u>http://www.stat.gouv.qc.ca/statistiques/conditions-vie-societe/revenu/inegalite-</u>revenu/mod5\_hh\_2\_1\_2\_0\_1\_.htm (page consulted on June 22, 2019).

<sup>&</sup>lt;sup>3</sup> The Coalition Main rouge is a Québec group of community, union and student organizations that aims at preventing public services from being privatized and charged user fees in the province, and to ensure adequate funding of social programs, public services and independent community action. In 2019, the Coalition launched discussions about the impacts of climate change on populations serviced by its members and about the best ways of fighting to protect the environment and vulnerable populations. The discussion paper cited here, which has not been put online, serves as a basis for that reflection. For further details on the Coalition Main rouge, visit <a href="http://nonauxhausses.org">http://nonauxhausses.org</a>.

How to define the struggle against climate change in a way that fosters social justice? The Front commun pour la transition énergétique (FCTÉ) offers the following definition:

Une transition énergétique porteuse de justice sociale suppose que l'on revoie en profondeur plusieurs pans de l'activité humaine, particulièrement le modèle économique, les modes de production et de consommation. Elle implique des changements de valeurs, de normes sociales et de mode de vie importants qui passent notamment par des campagnes d'éducation d'une ampleur sans précédent<sup>4</sup>.

The Front commun has defined criteria for guiding and illustrating a fair energy transition. It emphasizes that the transition cannot place the burden of necessary measures on individuals only, particularly on the poorest or most vulnerable, while our governments fail to intervene structurally<sup>5</sup>. Unfortunately, our research indicates that our governments favour inertia with regard to in-depth changes.

Accordingly, consumers are generally hindered in their role to fight climate change, given a lack of information or an inability to apply recommended measures in their actual environment. Many are also hindered by insufficient financial means. For many people, lack of financial resources is also an obstacle hindering them from taking necessary steps, either to prevent or to respond to events related to climate change.

While waiting for necessary structural changes to improve their ability to act, and depending on their financial means, Canadian consumers who want to participate in the fight against climate change can focus on the three actions that can have the greatest effects in reducing greenhouse gas emissions: limiting to the extent possible their use of cars and aircraft, and their consumption of animal proteins. Although these choices are not always possible, especially with regard to cars, consumers can still cause beneficial effects by their individual actions.

But clearly, only by being greatly multiplied can individual actions have a measurable effect, and governments must become seriously engaged without further delay.

Therefore, Union des consommateurs recommends that the federal, provincial and territorial governments of Canada take the fight against climate change seriously by giving it priority, providing it with the considerable resources required, demonstrating coherence, integrity and leadership on the issue, and taking social and economic disparities into account when developing policies. Governments must undertake structural and systematic changes that will enable consumers to make choices that will lead to a significant reduction in their GHG emissions. Major interventions to disseminate information on the necessity of giving priority to a plant-based diet, a

<sup>&</sup>lt;sup>4</sup> FRONT COMMUN POUR LA TRANSITION ÉNERGÉTIQUE, Critères d'une transition énergétique porteuse de justice sociale, <u>https://www.pourlatransitionenergetique.org/les-criteres-dune-transition-energetique-porteuse-dejustice-sociale</u> (page consulted on June 22, 2019).
<sup>5</sup> Ibid.

regulatory framework designed to slow down urban sprawl, massive funding of public transportation, building high-speed train lines that can replace flying, a national program supporting energy-efficiency innovations: those measures must be among government priorities and must be provided with the necessary resources. At the same time, governments must also abolish all policies that favour GHG emissions. Only on that condition will Canadian consumers be able to play their proper role in fighting climate change by massively reducing their GHG emissions, in order to avoid the worst effects of global warming.

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