Possible link between EU integration and sustainable consumption

EU integration may have led to more sustainable consumption patterns in new Member States (NMS) during 1995-2007, according to researchers from Lithuania. Their study indicates that, during this period in new Member States, a smaller share of household expenditure was spent on ‘essential’, but more environmentally-damaging items, such as food, drink and housing, and a larger share on ‘luxurious’, but less environmentally damaging, items.

Countries which have joined the EU in the past decade have undergone changes in their economic structure. This has seen their GDP, price levels and spending on consumption become closer to those of ‘old’ Member States (OMS), i.e. the EU-15. Increases in income have changed both levels and patterns of consumption, in terms of how the income is spent, with implications for sustainable consumption.

The study analysed consumption data from 1995-2007 for seven Central and Eastern European countries who joined the EU in 2004: Slovenia, Czech Republic, Hungary, Poland, Estonia, Latvia and Lithuania. It considered the levels and environmental impact of their consumption for 11 categories of expenditure: food and non alcoholic beverages, clothing and footwear, housing (in terms of energy and water bills), furnishings and household equipment, health, transport, communication, recreation and culture, education, restaurants and hotels, miscellaneous goods and services (for example, personal care and personal effects).

During the integration process, all NMS experienced increases in both disposable income and the amount they spent on consumption. The three Baltic States (Estonia, Latvia and Lithuania), experienced the biggest increases, with their overall household consumption expenditure increasing by around three times. The pattern of consumption also changed, with a fall in the share of household budget spent on food and beverages in all NMS, and for housing and transport in most NMS. The increases in disposable income appeared to lead to the biggest changes in consumption patterns in Lithuania, Estonia and the Czech Republic.

Overall, the consumption patterns of NMS generally became similar to those of the EU-15 Member States. In 1995, the biggest share of household budget for all NMS was devoted to food and beverages and housing, whilst in the EU-15, these categories received the least budget share. However, in 2007 the budget share of the NMS (particularly the Baltic States) declined for necessities, such as food and beverages and housing, and increased for luxuries, including miscellaneous goods and services and communication (including expenditure for postal service, telephone and telefax equipment). As such, by 2007, the consumption patterns of the NMS were similar to those of the OMS.

The study then assessed environmental impact of the new consumption patterns, in terms of acidifying compounds, that cause acid rain (e.g. sulphur oxides and ammonia) and greenhouse gases (GHGs). This indicated that, since integration, the changes in consumption structure in NMS slowed down the growth in environmental impact of increasing consumption. A likely explanation for this finding is that NMS spending on environmentally-damaging goods, including food and beverages and housing, grew slowly, while with new levels of prosperity, NMS expenditure on ‘luxuries’, for example, miscellaneous goods and services and communication, increased particularly fast. This was obvious in the case of Latvia and Estonia. The only exception was Hungary where the changes in consumption structure determined the 0.3% increase in GHG emissions.

It would appear that during this period of prosperity, integration, which caused the changes in consumption structure in NMS, reduced the environmental impact of consumption. However, at present, it is less clear whether this is also the case during times of economic difficulty.