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THE CROWDING-OUT EFFECT OF THE CALLS OF SUSTAINABLE DEVELOPMENT GOALS: RE-VISITING RESOURCE SCARCITY ASSUMPTION

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ABSTRACT: Sustainable Development Goals (SDG) prioritizes responsibility in resource consumption because of the fear in the increase in scarcity of available resources in all sectors. Especially, energy and agriculture has been the subject of SDG for recent years. To reach SDG, many states and international institutions make calls for preventive policies and emphasize the importance for responsible consumption in their reports. The aim of those calls is to provide the longevity of available resources and to save time for the production of their alternatives. For the success of these policies, people must re-organize and be responsible for consuming resources like water, energy, agriculture to contribute the transformation process "from the available to alternatives". This paper discusses the efficiency of these conviction policies on cognitive abilities and behavioral biases based on the model of Oechssler and his colleagues that tests higher cognition correlates with lower conservatism. This paper suggests that the emphasis in SDG increases the fear about resource scarcity and that hurts the cognition of consumers because of the increase in irresponsibility of consumers resulted from this fear.

Keywords: Sustainable Development Goals, Responsible Consumption, Risk Aversion, Resource Scarcity, Behavioral Economics

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INTRODUCTION

Several crises like climate change have huge effects on environment and have been on the top of the agenda of international institutions and international community for several years. In addition to their negative effects on the planet, they also cause an increase in the concerns about reaching the sustainable development goals (SDG) like alleviating poverty on a global scale, electrification for all humanity, decreasing carbon emission etc. Although SDG's main scope has been to stop the deterioration of human wealth by these aims, its incapability to prevent these crises in world economy in contrast to its promises makes SDG directly an issue of critical studies. Beyond this indirect link between SDG and the world political economy via those crises, the incapability of SDG may also have deep socio-political and economic impacts on SDG's potential to reach those aims. On the other hand, this paper believes that SDGs incapability is not only resourced from external factors like those crises but also from its intrinsic mechanism to reach its aims. On this basis, this paper prefers to look closer to the SDG's mechanism to realize its own aims.

This paper essentially claims that the intrinsic concerns of SDGs about increasing resource scarcity based on those crises have the potential to negatively impact reaching SDGs. In other words, the 'resource scarcity' assumption may be the reason why SDG is far from achieving its goals. Therefore, this paper will scrutinize the sustainable development goals (SDG) in terms of the consistency between its scope and results. To briefly explain, Sustainable Development Goals (SDG) prioritizes responsibility in resource consumption because of the fear in the increase in scarcity of available resources in all sectors. Especially, energy and agriculture has been the scope of SDG for recent years because of this fear. To overcome this fear, many states and international institutions have been making calls for preventive policies and emphasize the importance for responsible consumption in their reports. The aim of those calls is to provide the longevity of available resources and to save time for the production of their alternatives. For the success of these preventive policies in contribution to the transformation process from the available to alternatives, states must convince people to re-organize their consumption habits and to be more responsible in consuming resources like water, energy, and foods. At this point, this paper discusses the efficiency of these conviction policies on cognitive abilities and behavioral biases based on the model of Oechssler and his colleagues that tests higher cognition correlates with lower conservatism. It suggests that the emphasis in SDG increases the fear about resource scarcity and that hurts the cognition of consumers because of the increase in irresponsibility of consumers resulted from this fear.

This paper has an organization as the following. In the second section, it seeks for the history of sustainable development goals and tries to understand the relations between SDGs focus on responsible consumption. The second section tries theoretically to see the impacts of the calls for 'responsible consumption' on the cognition level of consumers. Based on the Oechssler's and Frederick's views, this section examines the extent to which the increase in the fear on resource scarcity can decrease the cognition level of consumers. The third section discusses the dilemma between SDG's scope and results by showing its crowding-out effect on itself. Additionally, a probable abandonment from the discourse 'resource scarcity' is another discussion topic in this section. The last section concludes.

LITERATURE REVIEW

Sustainability and development have been variously addressed by many studies as separate terms for a long time. It seems that development had been much discussed espe-

cially due to the rise of countries perceived as undeveloped like Asian Tigers and China while sustainability had a weak place in the literature. On the other hand by the time, the non-liberal development path of these countries also has become a very important challenger to the liberal development path. This challenge has also another meaning about the maintenance of gains from the liberal development path because illiberally-developing actors have focused on using the capital that liberally-developed actors have generated. Japanese experience in late 1800s, German experience in the beginning of 1900s and Chinese experience in late 1900s are the most known examples of those challenges. Therefore, liberally-developed actors have concerns about the future of their gains against those challenges and tried to establish some institutional mechanisms to prevent the probable damages of illiberal development paths. Structures of those institutional mechanisms have been changed depending on conjectural dynamics but all they had the same concern on the sustainability of liberal gains.

On the other hand, illiberally-developed countries have often accused liberalism-based institutional mechanisms of preventing them from reaching the level of development that liberal countries have. Therefore, sustainability and development had seemed as having counter-meaning to each other. Yet, this opposition between these concepts have broken by the Brundtland report in 1987 by using them together. It might be said that the two terms have been firstly combined as a sole term, 'sustainable development' by Brundtland report in 1987. Since one of the first and most common definition of Brundtland commission, sustainable development has essentially focused on the capability of 'meeting existing needs without compromising needs in the future' (World Commission on Environment and Development, 1987, s. 8). Although many studies have proposed alternative definitions for sustainable development since that definition conceived in terms of vision expression (Lee, 1993), value change (Clark, 1989), moral development (Rolston, 1994), social reorganization (Gore, 2006) or transformational process (Viederman, 1994), 'the exact meaning of sustainable development remains unclear' (Ross, 2009, s. 34)especially climate change, a much more meaningful instrument is required and a new ethic based on the ecological carrying capacity of the Earth. The article examines the impact of those early interpretations before exploring the importance of ecological sustainability as the moral and (potentially fundamental. This uncertainty probably consists of the separately concentration of researchers on the three dimensions that are economy, environment, and society.

This uncertainty has also caused the maintenance of the contraction between sustainability and development. However, it has also some other results. For instance, sustainable development has been based on some other concepts which has defined development differently from increasing economic wealth. By the way, some important concepts has introduced to the origin of SDG like inclusiveness, equity, connectivity, prudence, and security (Gladwin vd., 1995, ss. 878-880). Additionally, environmental protection was another most concerned concept in SDG without which countries can be defined as undeveloped. By adding the environmental protection concept to SDG, 'resource scarcity' assumption has placed on the origin of SDG. For example, Article 6 of the EC Treaty addressed the necessity of the integration of the concept environmental protection to the definition of European Communities policies'. This necessity seems to be because of the increasing need to the resource management capabilities of developing countries, as Brundtland Report. It stated that 'each year the number of human beings increases, but the amount of natural resources with which to sustain this population, to improve the quality of human lives, and to eliminate mass poverty remains finite' (World Commission on Environment and Development, 1987, s. 95). The emphasis on the finiteness of resources directly steers any researchers to study on 'responsible consumption which doesn't compromise needs in future'. Therefore, SDG prioritizes calls for responsibility in resource consumption because of the fear of the increase in scarcity of available re-

sources in all sectors.

Essentially, energy and agriculture are very good examples to find such calls. Energy and agriculture has been a significant subject of SDG in separate times. For instance, US Energy Administration has regulated energy consumption after oil-supply crisis in 1973. European Economic Community (EEC) has called its members for developing an environmental protection policy in Paris Summit in 1972. Rio Environment Summit has attracted attention to the challenges of climate change in 1992. Recently, Paris Agreement has risen to the top of the agenda of international politics after its assignment in 2015. According to the philosophy of these international summits and agreements, people fundamentally must re-organize and be responsible for consuming resources like water, energy, agriculture to contribute to the transition process "from the available to alternatives" for the success of these policies. In this respect, many new technologies for energy production like renewable energy have come to the agenda especially after the Rio Environment Summit in 1992. The aim of new technologies has been to prevent any probable crisis based on resource scarcity by developing alternative energy-production ways. However, SDG hasn't given up the calls of responsible consumption although energy industry has significant success in renewable energy production. Many states have published roadmaps to transform their industrial infrastructure to totally renewable energy. On the other hand, the same states and international institutions also continue to make calls for preventive policies in order to reach SDG and emphasize the importance of responsible consumption in their reports. Therefore, an important question comes to the mind at this point about the efficiency of those calls for reaching the aims.

While SDG was calling the international community for responsible consumption because of its fear about increasing resource scarcity, this paper suggests that those calls have different results than more responsible consumption, too, like the reflections of the fear on the international community. Therefore, this paper sees the efficiency of SDG's calls as more dependent on the influence of this fear on responsible consumption than applying environmental protection rules and policies. As a result, seeking for the influential mechanisms of the fear on responsible consumption is as much important as discussions on policies' content. At this point, this paper argues that Oechssler's arguments and Frederick's cognitive reflection test (CRT) can give a very good guide for the examination on the impacts of SDG's calls. In the rest of this paper, the argument will rest upon the relation between responsible consumption and resource scarcity.

THEORETICAL CONSIDERATIONS

Oechssler and his colleagues have tested the relation between cognitive abilities and behavioral biases. This test also revealed an important critics about "the traditional view in economics and finance in which only outcomes matter" (Oechssler vd., 2009, s. 147). For the traditional view in economics, human behaviors are taken for granted as rational, ceteris paribus. However, Oechssler and his colleagues argued that economists should study on behavioral biases and cognitive abilities because of the presence of irrational behaviors. As a result of their study based on the cognitive reflection test (CRT) generated by Frederick (2005), they find that 'individuals with low CRT scores are significantly more likely to be subject to the conjunction fallacy and to conservatism'. Briefly, Oechssler and his colleagues prove that low CRT types are less patient than high CRT types.

The existing version of SDG seems to have a very similar understanding with the traditional view in economics that ignores the impacts of behavioral biases on economic outcomes. For instance, SDG associates the precautions for decreasing carbon emission directly with state policies on industries rather than the decreasing of consumption of

carbon-emitting products. On the other hand, 'SDG cannot take successful steps for several years through this philosophy' based on the technological improvement to make economic outcomes sustainable for future consumption. At this point, studies must turn to the 'responsible consumption' to make economic outcomes enough for existing desires of humanity. Like studies' must, SDG has also turned to the aim for shaping consumption side and preferred to make often calls humanity to take their own responsibility. Thereby, SDG might have been aiming to recover its unsuccessfulness in fulfilling the core of technological improvement. On the other hand, SDG might have also addressed the behavioral biases because it sought the reason for this unsuccessfulness not within the technological improvement process, but also out of it. Cognition is very important at this point because, as Lubinski and Humphreys (1997) stated, general intelligence and various more specific cognitive abilities have much importance on causal determinants of decision making (Lubinski & Humphreys, 1997). Therefore, cognitive consumption starts to move to the core of SDG in recent years.

For the studies on cognitive abilities, Cognitive Reflection Test (CRT) has very significance and generates a very good measure for testing cognitive abilities. Stanovich and West (2000) separated the cognitive abilities as System 1 and System 2 which reflects the cognition level. System 1 occurs spontaneously and is unaffected by the intellect, alertness and motivation while System 2 requires effort, motivation and the execution of learned rules in mental operations (Stanovich & West, 2000). In this meaning, Frederick (2005) generated Cognitive Reflection Test (CRT) and tried to understand the extent to which cognitive level has impacts on decision-making processes. He stated that cognitive abilities has very strong relations with two important decision-making characteristics which are time preference and risk preference (Frederick, 2005, s. 26). Through these relations, the patience of intelligent people has been widely accepted in the literature for some time. As a very earlier example of this acceptance, Rae has written that "the strength of the intellectual powers, giving rise to reasoning and reflective habits. . . brings before us the future. . . in its legitimate force, and urge the propriety of providing for it" (Rae, 2012). As the result of this acceptance, people with more cognitive ability are more patient.

In relation to SDG goals, these results about cognitive abilities must be re-evaluated. Sustainability of natural resources requires people to think of future more than today; in other words to be more patient. To increase this patience, increasing cognitive ability is a must. Therefore, cognitive ability is not ignorable for reaching SDG, as also Oechssler addressed. Based on this significance of cognitive ability, the calls for responsible consumption seems very reasonable and a true policy for SDG. However, this paper argues that the negative determinants of cognitive ability like the "future concern" should also be re-taken into account. In other words, the decreasing factors rather than increasing on cognitive ability must also be included to the models estimating the consumption dynamics.

The future concern is closely related to consumption models as Frederick (2005) argued about the importance of time preference on decision-making processes. Frederick has summarized the common conclusion of researches on the relation between time preference and decision-making as the fostering effect of cognitive reflection on the appreciation of considerations. According to those results, cognitive reflections favor the later larger risky reward in spite of the current smaller riskless reward. In this respect, for reaching SDG goals, people must perceive future generations' wealth as more valuable than their own wealth today. In order to make future generations' consumption more valuable, SDG has often reminded resource scarcity. The reason is the assumption that people would prioritize consuming in the future than today.

In contrast to this philosophy, this paper argues that it is more reasonable to expect that resource scarcity would have a fearing role on today's consumption. Therefore, people most probably start to be afraid of their own possibilities today rather than in the future. This fear probably finalizes at the increasing value of today's consumption for people and the decreasing value of the consumption of future generations. If this fear exponentially increases with the survival concerns in different parts of the world, then the future generations' consumption will de-value in the eyes of the current generation. Therefore, SDG cannot reach the aim for sustainability of resources for future generations. In conclusion, the calls based on the 'resource scarcity' assumption are able to produce the counter-results against its own promises.

DISCUSSION

The point of this paper is how the calls for responsible consumption can have a crowding-out effect on SDG. As studies has shown, responsible consumption can be real only with a high cognition. Frederick has suggested that the higher cognition people have, the more preferable future larger rewards for them. As Oechssler et al. found, low cognition causes conjunction fallacy and conservatism which result in the misusage of resources. Therefore, the determinants decreasing cognition causes people to prefer current consumption rather than future generations' consumption. This paper argues that the calls for responsible consumption have such a decreasing role on cognition as much as they are based on resource scarcity that increases the fear of people. This result about the cognition level shows more than the inefficiency of SDG strategy on calls for responsible consumption. The 'more' part is that these calls seem to hurt SDG strategies by generating the dilemma between its scope and its routine. While many investments have been made to SDG for several years, the discourse 'resource scarcity' may cause that those investments couldn't realize SDG's promises. That's why, while the world has been confronting tremendously dramatic devastating challenges like climate change, supply chain crises, increasing political tensions, huge migration waves, the discourse 'resource scarcity have a 'rushing up' role and causes the crowding out effect.

From another perspective, the discourse 'resource scarcity' can sound unbelievable when thinking of the incredible technological improvement for two decades at least. The history of conventional energy resources has revealed some kind of examples. For instance, Yergin (2011) stated that the discussions on limits of conventional energy resources have been worthless because of the technological improvement in drilling and production technologies like hydraulic fracturing used in shale gas production (Yergin, 2012). Yet, as Yergin also stated, the argument that conventional energy resources had been close to ending within the next couple of decades had almost come into the agenda five times since the mid-1800s. By adding the recent technological improvements in all fields, these experiences are making the discourse 'resource scarcity' unbelievable. By the way, the credibility of the international institutions has been hurt in terms of developing international policies for the solutions of those devastating challenges.

This alertness for credibility shows also the urgency of a discourse change that can eliminate the crowding-out effect but also that lead the sustainability of rationality in people minds. In other words, the discourse change should contribute to the sustainability of resources without hurting the sustainability of rationality of minds on resources. This paper argues that such a discourse change can only be possible by calls for international institutions in three important issues:

1- Just distribution of wealth all over the world: Many studies have taken care to the unfairness in distribution of wealth in the world. Many of them also often recommend the establishment of fair distribution mechanisms and institutions

internationally and intra-nationally. Without supporting the trust sentiments of poor communities in the world on their own sufficiency for their future, then it is impossible to end the increase in fear on their future, indirectly to end the crowding-out effect.

2- Recycling mechanisms from rich to poor, not from rich to rich: In many sectors, recycling activities are developing very fast. However, the direction of recycled products in a society is as much important as the efficiency of recycling mechanism. When the recycled product returns to the rich communities in the world without poor communities' access, then the increase in fear of poor communities on their future cannot be ended again.

3- Trust in God: Religious beliefs can have a supporting role for human motivation in any field. Just distribution, ending wastage and any other kind of motivators are also on the core of all religious doctrines. Beyond those motivators that are also revealed by non-religious philosophies, 'trust in God' can be a very important motivator for ending the increase in fear on the current resources. If believers of any religion, at least, think that God creates any sufficient resources for all humanity, then people and institutions is expected to end irresponsible consumption of resources and to start to invest in future. By the way, SDG can realize its aim on resource sustainability.

CONCLUSION

Tremendously dramatic challenges and crises have leaded all humanity to be more pessimistic about the future for recent decades. However, the volume of those crises like climate change, global pandemics like COVID-19, increasing international migration causes the pessimism to move up. SDG has forecasted these crises and tried to respond them in an efficient way for several years, maybe since the Brundtland Report in 1987. However, the results of its policies seem counter-effective and the calls for responsible consumption give a very interesting insight for the counter-efficiency. While SDG aims to generate an environment for efficient and true usage of resources, its argumentation based on resource scarcity generated a crowding-out effect and increased the current consumption rather than investing in future. Frederick's and Oechssler's studies give very important empirical insights for this inference. By the way, this paper concludes that the discourse 'resource scarcity' of international relations leading SDG must be changed into a more optimist argumentation for being more rational.

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