

The largest problem that confronts us as we try to take steps to make ourselves, our society, our cities, and our lifestyle more “sustainable” is that no one seems to have a very clear idea of what “sustainability” really means.

While it is obvious that we can characterize the way we have lived in last century and doubtless beyond that as “unsustainable” and point, for evidence, to our reliance on nonrenewable sources of energy, to our acceptance of planned obsolescence, to our love affair with consumer and household debt, and so on, it is in no way equally obvious what alternative socio-cultural habits and lifestyles would require in order to be considered “sustainable.” Does it consist in replacing our old lightbulbs with energy-efficient ones, buying only energy-star appliances, relying upon food grown in our own gardens, biking instead of driving, urban-revitalization plans to eliminate both the need and desire for suburbs and the commutes that come with them? Or is all this simply a means of making ourselves feel like we’re doing something important, appeasing our consciences without ever taking meaningful steps toward a more conscientious way of living?

As much, however, as the very definition of sustainability, and the criteria of identity that go along with it, remains a moving target in the current debate, it is a question for the philosophers to decide, not economists like myself. For my purposes, there can be no doubt that wherever that target lands, living more sustainably as a culture will include using less energy per person, consuming less of the earth’s resources per person – in a few words, living smaller than we do right now.

Economics is about decision-making under scarcity. As such, it is the academic field best-positioned to consider the means of moving ourselves as a society in the right direction here, even if the ultimate goal remains poorly defined. We know that sustainable living will involve using less, living smaller; we also know that very little in our present day, beyond the all-too-soft urgings of our collective conscience impels us in that direction. But as all economists know, prices matter. Incentives work. My research and my focus right now lies in considering mechanisms by which we can make the behavior *we wish for ourselves* make practical, and not merely moral, sense. We have tried to use moral suasion in order to convince people to drive less or to use energy efficiently, but it has had a limited effect – these arguments must appeal not only to people’s hearts, but to their wallets as well. We need to get the prices right. If we as academics and policy makers can keep that in mind as we consider ways to influence people’s behavior on a large scale, we’ve taken one sure step toward sustainable living, whatever that turns out to be.