**Assignment 3.1 – Majority prefers to have fewer goods in the home**

At the end of 2016 Dutch households altogether owned some €167 billion worth of goods, as is shown by the latest figures from Statistics Netherlands (CBS). On average this is close to €22,000 worth of ‘items’ per household. It is clear from the CBS figures that the total quantity of items has remained virtually the same over a 10-year period.

The answer to the question: ‘How do you feel about the number of items in your home?’ clearly points in one direction. A large majority of respondents (54%) indicate that they want to tidy up their homes, in other words ‘they want to declutter’. More than four in ten (43%) indicate that they have enough items in their homes. Only a very small group of 3% indicate that they actually want to get more items into their homes. This is shown by a survey from the ING Economic Bureau among more than 19,700 people on Mijn ING Nieuws.

At first glance, fewer items seems to be hard to reconcile with the standard theory from economics: ‘more is better’. In this context we assume in principle that more of something (goods or services) also yields more ‘use’ to consumers.

a. Does the ING survey concern consumer goods or consumables? Explain the answer by means of the text.

b. Explain that the standard theory ‘more is better’ suggests a linear economy.

c. Use the concept of sharing economy to explain that having fewer items in your home does not necessarily mean that people use fewer items.

Sustainable consumption proves to be more difficult for consumers when this requires financial sacrifices and a change in behaviour.

d. Explain that decluttering is a simple way for circular consumers to behave sustainably.

**Assignment 3.2 Trade in waste contributes to a sustainable economic development**

A lot of waste from Western European countries is recycled in other countries. For instance, waste paper is exported to India, old car tires to Eastern Europe and waste plastics to China. The relatively cheap labour in waste-importing countries makes it profitable in those countries to select materials from the waste that are suitable for reuse. Research by an environmental economist shows that the export of recyclable waste by Western European countries can contribute to a more sustainable economic development.  
In the research report it is concluded that for the waste-importing countries secondary raw materials1 form an attractive alternative to the import of primary raw materials2.

1) Secondary raw materials are raw materials recovered via recycling.

2) Primary raw materials are raw materials that have not been processed in products before.

a. Explain how the processing of recyclable waste can contribute to making economic development more sustainable.

b. Explain that the processing of recyclable waste is an example of a circular economy.

c. Name two other forms of circular economy.

**Computations**

**Assignment 3.1 - Majority prefers to have fewer items in the home**

a. This concerns consumer goods. They are items that are kept in the home to be used again later.

b. In the linear economy, money is earned by selling as many goods as possible, so more automatically means better. In a circular economy, raw materials are reused and for new products raw materials must first be recovered from old products.

c. In a sharing economy people use each other’s items (against payment). So then not everybody has all the items in their own homes.

d. Decluttering does not cost any money because you are not buying anything, but are actually discarding things. Nor do people have to learn to behave differently because they are doing away with things which they hardly use at all. This makes it easy for people to give a new purpose to their unused items so that they will be used more frequently and so that others do not have to buy those items new.

**Assignment 3.2**

a. The environment is saved / the stock of raw materials is exhausted less rapidly, so that the current economic growth will affect future opportunities for growth less.

1. Thanks to the increasing use of secondary raw materials no new raw materials need to be extracted from natural resources. The raw materials keep circulating in the production chain.
2. Extension of useful life and maximisation of use.