**ESG Starts at Home: Why Our Everyday Choices Are Economic Votes**

Dr. Ain Bemisal Alavi
Assistant Professor
Bath Spa University – RAK Campus, UAE
Email: ain@bathspa.ae

Sustainability is often presented as a challenge for governments, corporations and financial institutions, yet some of its most powerful signals are created much closer to home. Every day, ordinary decisions about what we buy, what we waste, how we travel, how we use energy and where we place our money quietly shape demand and, over time, influence the direction of markets. This is where ESG becomes personal: not as another technical acronym, but as a reminder that economic choices carry environmental and social consequences. If millions of individual decisions help create patterns of consumption and investment, then the transition towards a more sustainable economy is not only something we wait for institutions to deliver; it is also something our collective behavior can help accelerate.

## The Sustainability Conversation Is Closer Than We Think

ESG (environmental, social and governance) has become part of the language of boardrooms, investment committees and corporate reports. Yet this framing can create a misleading distance between sustainability and ordinary life. We may assume that ESG belongs to banks, multinational companies, regulators or institutional investors, while individuals stand outside the system as observers. In reality, households are not at the edge of the sustainability debate; they are deeply embedded in it. What we buy, eat, discard, save, invest in and use for transport creates demand, directs money and influences the incentives to which businesses respond.



The scale of this connection is striking. The United Nations estimates that lifestyles are responsible for around two-thirds of global greenhouse-gas emissions (United Nations, n.d.). This does not mean that responsibility can simply be transferred from governments and corporations to consumers. Public policy, infrastructure, business models and access to affordable alternatives determine what choices are realistically available. It does mean, however, that the transition to a sustainable economy cannot be achieved through corporate commitments alone. It also requires millions of everyday decisions to move in the same direction.

## The Hidden Environmental Cost of Everyday Consumption

Consider food, in 2022, approximately 1.05 billion tonnes of food were wasted at household, food-service and retail levels worldwide. Households accounted for about 60 per cent of this waste, even while hundreds of millions of people faced hunger (UNEP, 2024). Food waste is therefore not merely a kitchen-management problem. Every discarded meal also represents land, water, energy, labour, transport, packaging and money that were used without delivering their intended value. UNEP further estimates that food loss and waste account for 8–10 per cent of global greenhouse-gas emissions. The contents of a household bin can therefore tell us something surprisingly important about the efficiency of the wider economy.

The same pattern appears in our appetite for materials. The United Nations' 2026 reporting on Sustainable Development Goal 12 shows that global domestic material consumption increased by 25 per cent between 2015 and 2022, from 92.1 to 115.1 billion tonnes. Per-capita consumption also increased, while 80 per cent of global materials were consumed by the half of the world's population living in higher-income countries (United Nations Statistics Division, 2026). These figures expose a difficult question: can an economy call itself sustainable if prosperity continues to depend on ever-growing extraction, short product lives and a culture of replacement?

## Every Purchase Sends a Market Signal

An individual purchase may appear too small to matter. Economically, however, consumption is information. Repeated across millions of households, it tells producers what to manufacture, retailers what to stock, banks what sectors appear commercially attractive and investors where future demand may lie. A consumer who chooses durability over disposability, repairs instead of replacing, reduces food waste, uses energy more efficiently or supports a business with credible sustainability practices is not solving the climate crisis alone. But that person is contributing to a pattern of demand that can reward different forms of production.

This is why responsible consumption should not be reduced to guilt. The more useful idea is agency. Before buying something, four questions can change the quality of a decision: Do I really need it? How was it produced? How long is it likely to last? What kind of business am I supporting? These questions introduce environmental and social information into a decision that would otherwise be based mainly on price, convenience or appearance. They turn sustainability from an abstract value into a practical filter.



## Our Money Has an ESG Dimension Too

The connection becomes even clearer when we move from shopping to finance. Money does not become environmentally or socially neutral when it enters a bank account, investment product or financial platform. Financial institutions allocate capital, and capital shapes the activities that expand. Sustainable finance therefore matters not only because of labelled green bonds or ESG funds, but because financial systems determine which economic activities receive resources and on what terms.

My earlier research with Raza and Asif on the UAE banking industry examined economic, environmental and social sustainability alongside financial performance over 2002–2022. The results showed that sustainability dimensions had significant short- and long-run relationships with bank performance, although the effects differed across measures of profitability (Raza, Alavi and Asif, 2024). The broader lesson is important: sustainability and financial performance should not automatically be treated as opposing objectives. Their relationship is more complex, and sustainability increasingly belongs inside financial strategy rather than outside it as a charitable add-on.

A related dimension is access. In recent research on FinTech and inclusive finance in the UAE, Almuete, Alavi and Khan (2026) found that digital financial tools can improve access to financial services, while adoption and use still differ across income groups. This reminds us that the 'S' in ESG matters alongside the 'E'. A sustainable financial system should not only direct capital toward greener activities; it should also remain accessible, trustworthy and inclusive. For individuals, responsible finance therefore involves asking not only whether an investment is labelled green, but also how a financial institution treats customers, communicates risks, protects trust and contributes to wider economic inclusion.

## From Individual Action to Systemic Change

There is an important limit to the idea that 'ESG starts at home'. Individuals cannot choose public transport that does not exist, purchase affordable clean energy where it is unavailable, or verify sustainability claims when companies disclose too little. Governments and businesses remain responsible for building the infrastructure, regulation, transparency and incentives that make sustainable choices practical. The United Nations itself stresses this point: lifestyle change works best when policy and infrastructure make lower-carbon options easier and more accessible (United Nations, n.d.).

Individual action and institutional action should therefore be understood as complements, not substitutes. Consumers create demand; businesses respond and shape supply; financial institutions allocate capital; governments set rules and incentives. Each part affects the others. This is precisely why everyday behaviour matters. It is one of the channels through which society communicates what it is willing to reward, tolerate or reject.



## A More Useful Way to Think About ESG

Perhaps the most important shift is conceptual. ESG should not be viewed only as a reporting framework that appears once a year in a corporate sustainability report. At its core, it asks three everyday questions. What is our impact on the planet? What is our impact on people? And are decisions being made responsibly and transparently? Those questions can be applied to a multinational corporation, but they can also inform the choices of a household, consumer, saver or investor.

This perspective also guards against performative sustainability. Buying a product simply because it carries a green label is not necessarily responsible consumption. Neither is investing in a fund merely because 'ESG' appears in its name. Awareness requires curiosity: look for evidence, measurable commitments, credible disclosures and consistency between what an organisation says and what it actually does. Sustainable consumption is not about buying more 'green' products; often, it begins by consuming less, using products longer and demanding better information.

## Conclusion: Small Choices, Collective Consequences

Sustainable economies are not built by institutions alone. They are built through the interaction of policy, finance, business behaviour and everyday life. The statistics on household emissions, food waste and material consumption show that individual behaviour is not peripheral to the sustainability challenge. At the same time, individuals need systems that make responsible choices affordable, credible and convenient.

Our spending is therefore more than consumption. Collectively, it is a vote for the kind of economy we are willing to sustain. One purchase will not transform a market, one avoided meal of food waste will not solve climate change, and one responsible investment will not redesign the financial system. But when millions of such decisions begin to point in the same direction, businesses notice, capital follows and policy becomes easier to advance. ESG may be discussed in boardrooms—but its consequences, and part of its momentum, begin much closer to home.

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