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TOWARDS A CONSUMPTION STRATEGY FOR ENHANCING WELLBEING & SUSTAINABILITY —AN INDIAN PERSPECTIVE

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Towards a Consumption Strategy for Enhancing Wellbeing & Sustainability—An Indian Perspective

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Introduction—Why a Consumption Strategy is Necessary

Increasing material consumption has been a key goal of Indian economic policy since the early 1950s. This aspiration is essential for escaping mass poverty and material deprivation. Even today, the pursuit of higher consumption dominates our economic policy and individual aspirations. This paper argues that our current attitude and policies towards consumption should be modified. This is necessary for two reasons: (a) for improving society's well-being (b) for addressing the challenge of environmental sustainability. The common understanding that material consumption always increases experienced well-being is mistaken. Experts have closely studied the relationship between material consumption and people's self-reported wellbeing. Their research shows that higher material consumption does not necessarily increase happiness. More importantly, humanity faces severe threats to environmental sustainability that is associated with rising consumption. These problems need to be addressed expeditiously. We must therefore reconsider the social desirability and the existential feasibility of maximizing material consumption that follows growth of national income.

Policymakers have long assumed that consumption of goods and services is the main route to increased well-being. Underlying this thinking is the powerful influence of the utilitarian philosophy of Jeremy Bentham on the economic theory of consumer behaviour. According to this theory, human wants are insatiable. Though the additional satisfaction derived from each extra unit of consumption of any specific commodity reduces as we consume more of it, rising purchasing power can always be reallocated to new commodities to keep increasing satisfaction. The theory implies that society should continue increasing consumption to be happier.²

Does consumption really increase well-being indefinitely? A large body of psychological and social research has investigated this question using detailed and careful empirical national

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that rising material consumption *does not necessarily lead to happiness or life satisfaction*.⁴ Economists have slowly accepted these results. The annual *World Happiness Report* edited by John Helliwell, Richard Layard and Jeffrey Sachs was launched in 2012 with the support of the United Nations.⁵ The report recognizes the importance of social and psychological determinants of happiness:

A household's income counts for life satisfaction, but only in a limited way. Other things matter more: community trust, mental and physical health, and the quality of governance and rule of law. Raising incomes can raise happiness, especially in poor societies, but fostering cooperation and community can do even more...⁶

If the proper goal of economic policy is indeed to maximize the well-being of society, and not simply material consumption, then our policies require reorientation. While awareness of the need for change has grown, political acceptance of these objectives is not significant.

The second issue is the environmental burden caused by rising consumption. Evidence is mounting on the impact of climate change in the form of floods, wildfires, intense and more frequent hurricanes, deforestation, and degraded water bodies. There is little doubt that this is a consequence of intensified human economic activity. This evidence can no longer be ignored because delayed action would be disastrous for the entire planet.⁷ We urgently require a *strategic action plan that foregrounds sustainability*. Despite lip service from policymakers, their present attitude and that of business groups towards rising consumption is celebratory. Should this approach not be modified? Let us consider the evidence.

According to the Climate Transparency Report 2022, India suffered a *loss of 5.4 per cent of its GDP in 2021 due to extreme heat that caused loss of labour hours and lower labour productivity*.⁸ This is a high burden indeed, given that Indian real GDP has increased at an average annual rate well below 4 percent in the last 5 years (2017-22)⁹. Thus, the economic benefit to the national income *net of climate-related damage* is hardly significant. If climate change does not abate, matters will certainly get worse. Scientific studies have concluded that humanity cannot indefinitely sustain the current trajectory of production and consumption.

According to the World Meteorological Organization's provisional reports on the State of the Global Climate,

The past eight years are on track to be the eight warmest on record, fuelled by ever-rising greenhouse gas concentrations and accumulated heat. Extreme heatwaves, drought and devastating flooding have affected millions and cost billions this year.¹⁰

The report also records the *doubling of the rise in sea level since 1993*. The pace of this rise is accelerating—during the past two and half years alone the level has risen 10%. Glaciers are

melting in the Alps and possibly also in the Himalayas, and the Greenland ice sheet has lost mass for the 26th consecutive year. The situation is indeed stark. Hence, a rapid adaptive response is urgently required.

Climate is a global issue, which makes national responses unpopular. India is not the main contributor to green-house gas emissions. Our ecological footprint in per capita terms relative to other nations is low but this is only because of low average income.¹¹ We are a populous and rapidly growing country. As Indian per capita GDP increases our negative impact on the environment will increase *unless consumption and lifestyle patterns adapt*. In the face of a looming catastrophe, our prospective environmental footprint cannot be ignored.¹² India must have her own national strategy that prioritizes urgent environmental adaptation simultaneously on all fronts—technology, production and consumption. The countries that adapt rapidly today will have a future competitive edge.¹³

This paper focuses on the relatively neglected consumption dimension. Production and technology usually receive more attention because they are a more visible cause of environmental stress. However, consumption and lifestyle are equally important because they provide the economic motive for production activities.¹⁴ If consumers adapt, this will have a chain effect by impacting the incentives for production decisions on technology and resource use. However, *household consumption expenditure* is only one part of aggregate demand in India. It accounts for around 58 percent of the aggregate demand in India. The remaining domestic demand comes from government and private businesses. Increasing the demand for green investment also requires attention from the sustainability point of view. This paper, however, has a limited focus—household consumption and its motivation.

It is heartening that the Government of India recently launched a climate action initiative. Named “Lifestyle for Environment” (LiFE), this ambitious initiative aims to be “an India-led global mass movement to nudge individual and community action to protect and preserve the environment”.¹⁵ This is a good beginning, though the initiative is still in the preparatory stage.¹⁶ The Ministry of Environment, Forest and Climate Change has invited implementable ideas for the mission. Current policy is mainly focused on curtailing wasteful use of energy, water, plastics, and electronic waste. However, we must go beyond that for a significant impact. A broad adaptation of consumption preferences and associated lifestyles are simultaneously required. Popular acceptance of the goals of such policies would enhance their legitimacy and implementation. Hopefully, new consumption norms would emerge embracing environmentally sustainable demand.

We shall examine consumption in relation to the two goals noted above, i.e., promoting well-being and sustainability. Fortunately, there is considerable synergy between these two goals. A meaningful transformation of consumer attitude is essential, not only for addressing the climate crisis but also for promoting greater well-being. Citizens' preferences are extremely important for shaping a nation's economic activity. If demand preferences change, this would influence the producers' visions and plans.¹⁷ Policy should aim at modifying buyers' behaviour so that the *composition and implied material content* of consumption adapt to environmental constraints. Many fear that this may lead to a decline in the GDP growth rate and employment. However, this is not inevitable. *The overall economic value of consumption expenditure* need not necessarily fall because consumers could *substitute 'green' consumption for environmentally harmful consumption*. However, this transition towards green consumption may be difficult where the material standard of living is low and green options are inconvenient or entail high opportunity costs. For example, the use of bicycles by poor villagers or handwashing clothes would be readily abandoned if mechanical devices are affordable.¹⁸ In these cases, the burden of adjustment should be eased by supply-side innovations and providing incentives for adoption, e.g. electric transport vehicles or energy-efficient washing machines.

Even if there is some reduction in consumption, the value of aggregate demand need not fall. The higher saving arising therefrom could be invested in 'green' projects, and spur growth both in the short and long run. The real objective is the reduction of the *material intensity and environmental burden* of economic activity. Exclusive reliance on *the supply side* by placing curbs, issuing directives and providing incentives *will not be sufficient*, because these will only repress consumption and not change its underlying drivers.

The paper has the following four sections. It relies on information drawn from secondary sources. No primary data was collected. Section I discusses the relationship between consumption and happiness. In Section II we present a strategy for consumption. Section III considers how the strategy may be operationalized. Section IV proposes a social marketing approach to implementation and discusses two illustrative cases of its application. The first case deals with introducing rooftop PV systems in Delhi and the second case relates to promoting human values education in higher education. The paper ends with a brief conclusion.

I. Consumption and Happiness—Theory and Empirical Evidence

Let us consider what is known about the relationship between consumption and happiness from behavioural psychologists and economists. The neoclassical economic theory of consumer behaviour provides the logical foundation for mainstream policy recommendations. Derived from the utilitarian philosophy of Jeremy Bentham, it runs as follows. Consumption of any commodity yields a quantum of satisfaction or utility. The higher the consumption of any good (or service), the happier is the consumer. The consumer is assumed to be rational and maximizes satisfaction (or utility). Accordingly, he/she allocates the budget (given by income) among different commodities whose prices are known. If income increases, the consumers can purchase more goods and services in accordance with their preferences. Under free and competitive markets, everyone will maximize utility with a given income. This will lead to the highest attainable level of satisfaction for society at large, with given resources and technology.¹⁹ *The clear implication of this theory is: If incomes increase, consumption will also rise, and life-satisfaction or happiness of society will always improve (if consumers have freedom of choice).* This is why economists recommend the pursuit of higher economic growth which will yield greater happiness.²⁰ This rationale makes sense when incomes and material standards of living are very low. However, is it still valid when incomes rise, and societies prosper? ²¹ This is an empirical question. Psychological research based on large scale surveys indicates that this presumed positive association between consumption and happiness is *not* generally valid. Societies are consuming ever more material goods and services, but their citizens report that they are *not* happier. Evidence accumulated since the 1950s on the psychological foundations of well-being *does not support the traditional economic theory's* prediction that psychologists, as well as a growing number of economists, have tried in order to explain this phenomenon.

The reason for the apparent paradox is that *several factors mediate* the relationship between consumption and happiness. When a society becomes richer, its consumption increases but *everyone is not made happier*. This suggests that people's experience of *well-being does not derive from their level of consumption per se but from other factors*. This finding is confirmed by other studies conducted in diverse cultural and social contexts. For enhancing happiness, we need to explore a different policy approach that *includes psychological and social determinants of consumption*.

Tibor Scitovsky was among the first economists to seriously explore the psychology of consumption.²² He used evidence from 10 surveys in the USA that were done during 1946-70 by the American Institute of Public Opinion. This was a period of economic boom following the second world war during which time material consumption grew rapidly. Real per capita

income rose 62 per cent. The 1950s and 60s were a 'golden age' of US capitalism characterised by prolonged economic prosperity. Yet, Scitovsky noted the lack of correspondence between reported satisfaction and income among the population. The carefully conducted surveys asked randomly selected respondents to rate their own levels of happiness as 1) 'very happy', 2) 'fairly happy' 3) 'not very happy' and 4) 'other'.²³ In spite of increasing income, the proportion of 'very happy' people did not increase—the number hovered in the range of 39 to 53 percent and declined noticeably between 1957-70 to 43 percent. The proportion of 'fairly happy' people remained under 50 per cent through the entire period. Evidently, increasing material living standards did not make people feel happier, contrary to economists' expectations. Subsequent studies, using data from Japan and China (with cultures different from the USA) that have experienced more rapid income growth, have confirmed the pattern. Easterlin authored influential studies on the relationship between income increase and happiness.²⁴ His 1995 study found that even though per capita real income increased five-fold in Japan during 1958-87, the average self-reported happiness of people did not increase. In a Gallup Organization study of China for the period 1994-2005 during which real per capita income increased by 250 per cent, the average life satisfaction of respondents did not increase. The ownership of such modern goods as TV sets and mobile phones had increased significantly. Despite this, the proportion of people who were *dissatisfied* increased, while the percentage who were satisfied *decreased*.²⁵ Some may doubt the reliability of subjective survey data. However, authorities in the field like Kahneman²⁶ and Krueger affirm the scientific validity of subjective evidence. According to them, self-reported measures of well-being (on which the above findings are based) *are more accurate indicators of individuals' experienced satisfaction than "utility"*. The subjective life-satisfaction measures are credible also because they are correlated with objective physiological and medical criteria and observed emotional states.²⁷

We conclude that consumption does not automatically increase satisfaction because the *foundations of happiness derive from psychological causes* and not the act of consumption per se. These causes are associated with *consumption, but they are distinct from it*. Two such influences have been highlighted in literature. They provide partial explanations for the observed dissociation between income and happiness. One factor stresses *the social dimension of consumption* while the other relates to an *individual's psychological experience of consumption*. Neither of these explanations are surprising and they are consistent with commonly observed behaviour.

(a) *Relative Living Standard*

The sociological explanation runs as follows. People's perceived happiness depends on their living standard or consumption level *relative to others*. In other words, an individual's quantitative level of consumption of goods and services is not the principal source of the satisfaction that is derived from it. More important is its role in signalling the individual's *rank or status in society or position in the income scale* (so-called "rank happiness"). This finding highlights the *competitive element and symbolic value of consumption*. People are happier when they are perceived to be better off than others. This conclusion is supported by cross-section data, which indicate that as we move up the income scale in each population, the proportion of happy people in the income group increases.²⁸ This has interesting implications for designing policies for reducing the environmental footprint of consumption. If rank and status are the really important determinants of perceived well-being, *it should be possible to provide alternative avenues to attain rank and status (or social respect) via means other than the accumulation of material possessions*. Societies may be able to experience higher levels of well-being without the need for unabated material acquisition and consumption. Recall that in traditional societies, status, identity and belonging were derived from social arrangements distinct from income. These were relatively stable and immune from continuous economic competition—such as the joint family or community bonds, tribal or caste affiliation, land holding and secure life-time employment. It is worth exploring what other possible avenues for experiencing well-being exist in contemporary societies. For example, one source of well-being is the *satisfaction that people derive from work*.²⁹ Work that is well-accomplished yields both *self-respect as well as social approval*. These may be correlated with a person's income in market societies, but they are distinct from income or consumption and may even be independent from it.

(b) *Hedonic Treadmill*

The second explanation is based on the psychology of an individual's consumption. Human beings tend to get "*habituated*" to *higher material standards of life*. This phenomenon is referred to as "hedonic treadmill" or hedonic adaptation.³⁰ If income and consumption levels rise, an individual initially experiences an increase in satisfaction. *However, if the increased material consumption standard remains constant, people take this condition for granted*. Indeed, people's satisfaction level at a given consumption level may even decline with time. People do not experience lasting contentment from consuming a given bundle of commodities over time because of boredom. Scitovsky argued that consumption is initially *motivated by new products ('novelty')*, but this soon gives way to habituation and *boredom*. For this reason, they *require ever more quantity, variety or higher quality of goods and*

*services in their pursuit of well-being.*³¹ This inference is corroborated by the reported steady rise in people's 'aspirations' at any given level of income. Surveys have estimated the "required level of income" of a household by asking the respondents "what is the smallest amount your family of 4 requires to get along in this community?" This amount has expanded rapidly even as actual living standards have increased substantially.³² People quickly adjust to what they possess, and this becomes the new minimum level of acceptable income (and consumption). Thus, the evidence confirms the hypothesis that people are unable to find happiness from a steady level of material consumption, however high that level might be. Instead, they keep yearning to increase material consumption, as if they are addicted. Putting both these elements together, we can see that these tendencies create a continuous drive for ever greater material consumption and accumulation. Paradoxically, *this does not generate happiness and only exacerbates the environmental footprint.* This tendency must change because now human consumption presses against planetary boundaries. Of course, *happiness is derived from non-material sources as well*, which may be more important.

(c) Motivation for Economic Behaviour—Individualism versus Altruism and Solidarity

Thus far, our discussion has been within the standard economics framework. Its core assumption is that individual self-interest motivates all economic decisions. Economists have generally ignored or underplayed the fact that humans also display altruistic behaviour in economic matters. Accordingly, policymakers assume that individualistic incentives operating through prices, taxes and subsidies and controls are the *only instruments for modifying consumer behaviour.* However, collective motives can have a very important influence on behaviour. Many economists now recognize the relevance of altruism in individual economic decisions. In many situations, humans place the collective welfare of society above their individual interests. They value justice, cooperation, solidarity and equality, and they often choose to *sacrifice their own personal benefit in order to achieve preferred social and economic outcomes.* There are numerous examples of such behaviour that we all encounter in our day-to-day experience. In fact, studies using game-theoretical analysis and experimental methods have shown conclusively that "other-regarding" preferences and concern are widely prevalent. Economic experiments were conducted to understand just how self-seeking human beings are in situations where their decisions would impact themselves as well as others. In these behavioural experiments, participants were asked to choose between two alternative situations. This is an experimental adaptation of the well-known 'prisoners' dilemma' model of game theory. The participants can either cooperate or pursue an individualistic strategy.³³ Individualistic behavioural assumptions predict that a non-cooperative choice would be made by both players. However, it turned out

that in 40 to 60 percent of cases, the players chose to cooperate even though they were aware that a selfish choice by the other player would have hurt them. The practical lesson to be drawn from these studies is that in designing policies we should not assume that people always act selfishly.³⁴ Through carefully designed interventions, it should be possible to appeal to their cooperative and/or altruistic motivations in some situations.

This finding has important implications. If we desire to modify consumer behaviour in favour of more sustainable consumption choices, we can utilize *collective persuasion* rather than rely only on *individualistic incentives*. These policies would be *more effective in societies where human values of cooperation and solidarity are already embedded in social norms*. In such situations, this may even prove more effective than taxes or subsidies. Japan provides an interesting example of the role of the culture and values in shaping her response to the first “oil shock”.³⁵ Most countries attempted to reduce oil consumption by imposing tariffs. The Japanese, however, responded more quickly and effectively than other industrialized countries by introducing many new energy saving devices. In fact, Japanese small cars subsequently came to dominate the international automobile industry. Note that *this rapid adaptation by a wide range of Japanese enterprises operating in different industries, was achieved without major pecuniary incentives from the government*. Akio Morita attributes this remarkable economic response to deeply held Japanese values known as ‘mottainai’.

It is a concept that...may help explain a great deal about Japan...It is an expression that suggests that everything in the world is a gift from the Creator, and that we should be grateful for it and never waste anything....To waste something is considered some kind of sin. (Morita, p 252)

When the oil crisis arrived, this attitude led to a spontaneous response:

All Japanese industry was charged with the responsibility of conserving, or of devising ways to use less energy in our factories, and was challenged to make products that would use less energy....In 1973, every maker of home appliances went to work to cut power consumption, and in fact they competed with each other to see who could produce products using the least power; low power consumption became a major selling point and a new point of competition. (Morita, pp. 256-257)

Note that it is not only Japanese producers who adapted. The consumers also readily accepted energy saving products. This is evident from the observation that in Japan *low power consuming products* (energy efficiency) became a *major selling point* for competing firms.

The above example shows that *an effective collective coordination of effort to meet a larger social objective is possible without using material incentives*. Altruism rather than self-seeking behaviour can be the driver in some contexts. *Pre-existing cultural and ethical values, as well as a unifying collective vision are crucial for catalysing such a response*. In an appropriate socio-cultural environment with a unifying collective vision, private businesses

and consumers do respond spontaneously to a national need in a forward-looking manner. The Japanese are, of course, renowned for their non-individualistic values and many believe that this accounts for their postwar industrial success.³⁶ However, the role of cultural values in shaping economic behaviour is not a uniquely Japanese phenomenon. A recent comparative study of the UK and Brazil with respect to sustainable consumption found that their national cultures affected how their respective societies reduced material consumption (i.e., to reduce, re-use and recycle).³⁷

While cultures and value systems are deeply ingrained in a society, they are not immutable. They can and do adapt to external circumstances. They can also be modified by social movements, business advertising as well as government policy. The same national culture typically contains contradictory tendencies of self-seeking and altruistic behaviour. At a given time, some tendencies are prominent, while others are dormant. For example, the neo-liberal global consumerist culture has grown strong in recent decades thanks to the ideology pursued by governments and by economic interest groups via marketing and media. However, these values can also change, especially in a context of an actual or impending crisis. Though policymakers must work within given cultural contexts, they should encourage the emergence of values and attitudes that are conducive to happiness as well as environmentally sensitive behaviour. Cultural and value norms take time to change, but once new norms are adopted, their impact on behaviour is extremely powerful. It is important therefore to explore how values-systems can be transformed to reduce the hold of individualistic and materialistic drives.

II. Towards a Strategy for Guiding Consumption

The foregoing discussion of the psychology and economics of consumer behaviour provides the groundwork for a strategy for consumption. Its objective is to modify consumption behaviour for: (a) enhancing well-being and (b) promoting environmental sustainability. There are two components: a macro-level strategy and a micro-level strategy. The macro strategy is a set of policies aimed at adapting the social and cultural environment. Economic ideologies and behavioural norms are the foundational determinants of consumption behaviour. The strategy must challenge the deeply etched economic ideology of neo-liberal market reforms, which is inseparable from the prioritization of economic growth. The micro strategy is aimed at modifying the attitudes of individuals and households towards consumption and material accumulation. In this paper we limit our focus to the micro strategy. A macro-level strategy is, however, crucial. Without alignment between the two, micro-level efforts will face strong socio-economic and political counter currents. Therefore,

we shall delineate the broad elements of a recommended macro strategy. A full exposition of the macro strategy is not presented here.

Production and consumption strategies are both necessary for an effective response. The production dimension is extremely important and has received considerable scholarly and policy attention. It is encouraging to note that the Government of India and private industry have initiated several steps towards sustainable production—an important example is e-mobility.³⁸

However, in this paper we focus on consumption, which has not received sufficient attention.

A. Elements of a Macro-level Strategy for Well-being, Sustainability and Consumption

It is necessary to address the fundamental psychological drivers of consumption if we wish to bring about change. *An attitudinal shift* is necessary so that people experience more happiness and are voluntarily inclined towards pro-environmental alternatives.

Extensive research has identified key features of an enabling social environment for genuine well-being. The addictive attachment to materialist consumption would be reduced if these conditions are created.

Some features observed in happy societies are:³⁹

- Family relationships
- Employment and feeling of contributing to society
- Absence of poverty
- Community and Friends
- Health
- Financial security
- Personal freedom
- Ability to trust fellow citizens
- Personal values that transcend materialism

The *true sources of well-being* do not lie in materialist acquisition and consumption but from the above social conditions. Hence, public policy should facilitate the emergence of a social environment in which these conditions flourish. Many of these conditions can be addressed by social policy and governance style. Others need economic policy support. If these are achieved, the addictive drive towards materialist acquisition would be naturally curbed. A well-coordinated multi-faceted strategy is necessary to achieve them. Both long-term and short-term policies are needed.

A set of policies is needed to *create structural conditions for the transformation of values* and the moderation of materialist aspirations. The *overall national development strategy would need to be adapted with happiness and sustainability in focus*. This would include policies that *emphasize employment, reduction of socio-economic inequality and insecurity, enhancing autonomy, improving work environment, and promoting social harmony*. The long-term strategy of creation of social conditions for improved well-being and modification of human values may not have an immediate impact on consumption behaviour. Nevertheless, it is essential for laying a stable foundation for behaviour modification. The sustainability crisis needs urgent attention. The short-term strategy of direct intervention to change consumption choices should begin immediately. Initially, the people may hesitate to act. However, when the values-modification process takes hold, the efficacy of the short-term strategy will be greatly enhanced.

Reorienting the Development Strategy

Indian development strategy during the past three decades has emphasized economic growth. Though the economy has grown much faster post economic liberalization, the case for a reorientation of policy is strong if we consider the objectives of wellbeing and sustainability. Several weaknesses of the Indian economy have been extensively discussed in literature.⁴⁰ International comparisons of India on a number of *broad social indicators are unfavourable*.

- For example, India ranks 126th out of 137 countries, in the *World Happiness Report 2023*.⁴¹ The WHR measures happiness or “life evaluations” using the following indicators: income (GDP per capita), social support (or the sense that there is someone to turn to in case of need), healthy life expectancy, freedom to make life choices, generosity and perception of corruption.
- India's rank in the *Global Press Freedom Index* is 161st among 180 countries.⁴²
- With regard to *gender disparity*, India ranks 135th globally and 6th in South Asia in the World Economic Forum's *Global Gender Gap Report 2022*.⁴³
- On the *climate change* front, we must note that India is among the most threatened countries. According to the *UNICEF*, in 2019 India was the 7th most affected country in the world due to climate-led change that caused extreme weather events in terms of fatalities and economic losses. A very high proportion of the population (in 17 out of 20 states) is vulnerable to floods, droughts and cyclones. The *UNICEF's 2021* report ranks countries according to the *threat from climate change to children*. India ranks 26th out of 163 countries in terms of children at risk. Air pollution is a major concern

with 21 of the 30 most polluted cities in the world being located in India. A *Lancet* study estimated that 1.24 million people died in India from air pollution in 2017.⁴⁴

Hence, despite the high growth rate, India needs to improve on the social and development dimension. Rising inequality of income and wealth is a notable feature of current economic trends. Inequality has a negative impact on sustainability. The lifestyles of the wealthy have a disproportionately high environmental footprint.⁴⁵

The above evidence suggests that a *radical redesign of development strategy is urgently required*. A full discussion of such a strategy is a major task that is not attempted in this paper. Here we shall briefly outline the key ingredients of a recommended strategy.⁴⁶ It contains both policy and institutional components:

1. *Change the Vision of Development*

In recent years, the government has declared its economic policy achievements and targets in terms of the aggregate size of the Indian domestic market or the growth rate. This national vision triggers restless aspirations for consumerism and materialist acquisition and distracts attention from the challenges of environmental damage and inequality. Growth is important not for its own sake but to achieve a better life for all. Therefore, long-term policy should be guided by a broad vision in which sustainability and quality of life are emphatically projected. These should be in the foreground of policy like the anti-poverty (“Garibi hatao”) campaign of the 1980s. The criteria for judging India’s performance should *prioritise indicators of development status*, such as employment and livelihoods, health, nutrition and education, poverty eradication, reduction of inequality, urban housing and living conditions of the poor, as well as environmental sustainability. Many of the human development goals are part of the human capabilities approach to development pioneered by Amartya Sen, Martha Nussbaum and Jean Dreze.⁴⁷ Policy goals should also give sufficient weight to sustainability indicators.

2. *Transform the Composition of Aggregate Demand, but maintain its Economic Value*

Economic growth drives consumption demand and creates employment. For advanced countries, some authors have recommended “de-growth” (i.e., reduced economic growth) as a means to achieve sustainability. However, a broad-based growth reduction strategy is not feasible in developing countries where the standard of living of large numbers of the population is already low.⁴⁸ We must therefore *re-orient consumption, but simultaneously protect and improve the standard of living of the poorer sections of society*. This will imply moderating the consumption of the

better off, which is likely to prove difficult. Rather than insisting on reduction of consumption, a better approach would be restructuring the content of both consumption and investment by *lowering their natural resource intensity*. We can maintain a reasonable rate of economic growth because the total value of consumption need not decline, as its composition alters. Even if consumption demand falls in the short run, economic growth can be maintained *through a concerted investment strategy* that would compensate for the decline in consumption. This may take the form of “green” investment projects to help restructure India’s production system in a sustainable direction. In fact, the investment level that is necessary for funding India’s official green energy transformation target is extremely high.⁴⁹ Lower consumption might actually help in this regard, as it would release a higher flow of resources for investment without fuelling inflation. The investment would, however, need to be carefully planned, and for this *some form of industrial policy would be necessary*.

For planning and implementing this strategy, leadership by the government is essential for adapting both consumption as well as production. Using tax-subsidy policy for restructuring consumption would inevitably place a disproportionate burden on the poor. An alternative strategy would be to modify the attitudes and behaviour of better-off sections through information and persuasion, so that they voluntarily adjust their consumption for the greater social good. This implies the need to adopt policies that employ the tools and methods of psychology and marketing. At same time, government policy should enable the poor to maintain a decent standard of living. However, the government expenditures made for the purpose should fulfil environmental sustainability criteria.⁵⁰

On the investment side, it is necessary for the government to promote energy-saving and other sustainability enhancing projects. For infrastructure and transport projects in particular, government leadership is important.

While we argue for enhanced government leadership and policy intervention, we do not recommend a return to hierarchical central planning. *A different type of institutional framework is needed to bring about willing cooperation from private business firms, industry associations, non-governmental organizations, opposition political parties, citizen groups, media organizations, universities and research organizations, and trade unions*. In today’s context, the cooperation and participation

of private business in sustainability endeavours cannot be over-emphasized. Moreover, they must be encouraged to partner with government and civil society stakeholders. Such collaboration would require an *open consultative framework*, a willingness to limit political competition for the national good, enhancing federalism, creating an atmosphere of respect and trust, and a steadfast commitment to democratic processes.

3. *Realign the roles of State, Market and Civil Society for effective economic governance*

The roles of the market, government and civil society must be rebalanced in order to build adaptive capability and strategic capacity to implement the policies that we recommended above. Markets are a useful mechanism for efficient allocation under competitive conditions. However, liberalized markets must function within a robust institutional framework that ensures effective economic governance of markets. These are the institutions for policymaking, regulation and accountability. If these institutions are weak, markets fail leading to multiple negative consequences.⁵¹ Strategic policymaking by the government is not effective in such an environment. Therefore, these institutions must be strengthened and have adequate autonomy and authority. The government's targets of sustainability and changed consumption patterns require public acceptance of policy goals. For this reason, *the policymaking process must be transparent, consultative and decentralized*. In order to improve communication flows and implementation capacity at the grassroots level for health, livelihoods, and environmental objectives, the civil society sector must be empowered and function as partners.

The experiences of Western Europe and East Asia indicate that market economies are compatible with the pursuit of a range of collective social goals. In contrast with the 'liberal market economies' of the USA and UK, the policymaking institutions of 'coordinated market economies' of Western Europe and East Asia are different.⁵² The latter are characterised by a *more consultative policy framework and transparent collaborative relationships between businesses, trade unions, government, and non-government organizations*. Earlier, we discussed the example of Japan. Studies of Western European cultures also affirm their affinity for collaboration:

European cultures uniformly value relationships that are agreeable and horizontal. They strongly endorse harmony-egalitarianism, rather than mastery-hierarchy. It is the commitment to others and egalitarianism rather than individualism... that distinguish the European continent from other cultures in the world.... At its core, European culture values a unique and decontextualized individual who is egalitarian and committed to the welfare of others.⁵³

India should also develop institutions that function more collaboratively, and transition from hierarchical and political-bureaucratic governance modes. Policymaking, regulatory and accountability bodies should be adapted to nurture citizen participation, consultative forums, decentralization and empowerment of lower tiers of government, and enhanced partnership with civil society organizations.

4. *Share policy-relevant information with public & enable external expert inputs for policy*

An important ingredient of participatory and transparent policymaking is sharing of policy-relevant information with stakeholders outside government. For effective strategies reliable information and data on the policy issues are required so that policymakers can design rational evidence-based policies. In many policy domains such as greenhouse gas (GHG) emissions and global warming, viral pandemic infections, and nutrition, and on economic and social matters, the knowledge required is complex, technical and rapidly changing. Independent professional and scientific expertise in these domains are essential. It is very important to keep the knowledge gathering processes active and accessible, and to support their independent analysis and public debate forums. Regular scientific collection of economic and social data should be carried out and circulated. Independent scholarship and expertise must be seriously considered even if the professional opinions differ from the official view. Platforms for discussion and debate must be encouraged in universities and research institutions. These steps will increase the availability and sharing of new information and stimulate broad participation, experimentation and effective implementation.

5. *Strengthen community vitality*

The World Happiness Report 2023 uses the following *criteria for “life evaluations”* : GDP per capita, social support, healthy life expectancy, freedom to make life choices, generosity, perception of corruption. Many of them support pro-collective attitudes that run counter to the rampant individualism observed in contemporary market societies. Good governance should create an environment in which citizens experience financial security, availability of jobs, stability of family relationships, platforms for working towards the common good, ability to trust fellow citizens, presence of social capital (bonding, associations, connectedness), solidarity, and freedom to learn from non-materialistic traditions. *To encourage community vitality, administrators should enable local actors and encourage their participation in projects*

for public welfare. Initiatives in social welfare projects from private corporations (CSR) as well as civil society organizations should be encouraged by recognizing and honouring their contributions. Adequate spaces and platforms for group activities such as playgrounds, common study or meeting areas must be included in urban projects. Opportunities should be created in schools for youth to engage in voluntary activities such as care for the elderly and in environmental sustainability initiatives. In these domains, *governance should adopt a facilitative and participatory style rather than be perceived as interventionist and/or manipulative.*

6. *Strengthen institutions for governance of 'collective consumption'*

Though this paper focuses on individual consumption we recognize that this is only a part of a nation's consumption activity. A significant part of goods and services are consumed collectively. This takes place via both government and private auspices. The items consumed vary from luxury consumption by the rich to services consumed by the poor. This consumption activity is mediated by a wide spectrum of delivery institutions. These include leisure facilities like sports and social clubs and luxury resorts for the wealthy groups, parks and museums, and also temples, churches, mosques as well as universities, colleges and schools. To this list we must add the collective consumption undertaken by the modern residential apartment buildings and townships. Transforming the consumption practices of these institutions of collective consumption to enhance sustainability and wellbeing in an equitable manner is a mammoth task.⁵⁴ Yet this is essential for achieving sustainability. Because of the intrinsic incentive issues associated with collective action, addressing this set of issues requires several institutional pillars: (a) The capacity and willingness of the state to clearly define a national vision of sustainability that portrays the current situation as a crisis. (b) Improved coordination and cooperation between the union, state and local governments. Most issues concerning collective consumption have a local context and impact. For this reason, state and local government agencies must work together to define local sustainability imperatives and resolve local conflicts of interest. This should be done on a case-by-case basis. (c) Urban planning and large infrastructure projects should be designed in an environmentally sustainable manner that ensures that communities are not destroyed inadvertently, and local jobs are created. (d) Participatory initiatives involving relevant government ministries and departments, civil society organizations, research institutions, social enterprises as well as private sector enterprises should

be encouraged.⁵⁵ For this, an enabling eco-system must be created. This will generate innovative ideas, public enthusiasm and rope in local and national talent.

In the above sub-section, we have sketched a recommended macro-level strategy. These ideas require more substantive elaboration and justification, which is beyond the scope of this paper. A major change in direction and focus of economic policy and in associated governance institutions is being recommended. For this political commitment is necessary. This may not be easily forthcoming. Nevertheless, we have made these suggestions to promote public debate. This may encourage the foregrounding of sustainability and well-being goals in the agenda of leading political parties. If these ideas are implemented, a supporting social and institutional environment will be created for implementing the micro-level strategy, which is elaborated below.

B. Micro-level Strategy for Sustainable Consumption and Wellbeing

While a favourable socio-economic environment is necessary, we require an actionable approach to promote consumer choices that favour sustainability and well-being. This requires attitudinal change at the micro or individual level. The key elements of our recommended strategy are: (1) Reorienting the individual's attitude towards consumption (2) Reorienting the motivation of economic behaviour from individualism towards collective goals; (3) Facilitating transition towards sustainable consumption and (4) Designing a 'social marketing framework' for bringing about behavioural change. We shall elaborate below on each of the above-mentioned components of a consumption strategy.

1. Promoting an ethical and informed foundation for consumption

Psychological researchers have identified several attitudes to consumption that are conducive to well-being. Material consumption is important to human wellbeing. However, this is only one route to well-being. It may not even be the most important, especially for those individuals for whom the necessary requirements for an acceptable standard of living have been satisfied. Psychologists Adler and Seligman distinguish between two different types of well-being: (a) *hedonic well-being* (i.e., feeling good) and (b) *eudaemonic well-being* (i.e., functioning well). The latter constitutes a *higher quality* of happiness than hedonic satisfaction.

Consumption contributes to hedonic well-being, but this is a superficial form of happiness.⁵⁶ Eudaemonic happiness is an idea due to Aristotle and is defined as *flourishing or thriving across multiple domains of life*. It is associated with *deeper sources of satisfaction that have*

an ethical dimension—such as a virtuous life, engagement in meaningful activities, finding meaning and purpose in life and positive emotions, self-esteem, self-determination and autonomy.

Many people focus exclusively on hedonic satisfaction because they are unable to access eudaemonic happiness. Values hold the key to eudaemonic well-being. If values that support eudaemonic happiness take root in a society, the hedonic motivation for material consumption would change. In particular, people could break free from the urge to consume compulsively. Take for example, the adoption of positive values such as gratitude. *Cultivating gratitude* involves not taking things for granted, and of *appreciating what we already have*. Its absence causes dissatisfaction and triggers the constant hankering for more. Gratitude would foster *contentment* and thus *allow us to get off the hedonic treadmill*. *Self-acceptance* is another attitude that would foster an eudaemonic approach to life. Self-acceptance means the ability to be contented with ourselves. This leads to *inner composure and thereby freedom from the urge to engage in “conspicuous consumption”*.

Scitovsky argued interestingly that even the tendency to consume competitively “to keep up with the Joneses” is rooted not in individualism but in the *desire to belong to a peer group*. At a basic level while consuming competitively, *humans actually seek social identity and status affinity in a changing social environment*. In contemporary market societies traditional communities and kinship bonds have disintegrated. Modern urban and suburban societies are characterized by anonymity and transitory relationships. Here, the desire to belong to a permanent peer group can no longer be satisfied directly. In fragmented societies, this desire is satisfied via the symbolic form of common visible consumption patterns. This spills over into competitive consumption for status-seeking. However, this tendency can be *neutralized by the ethical value of compassion*, which weakens the fear of social isolation. Caring for others supports *social connectedness and community identity* even in modern social contexts. This creates a sense of belonging (solidarity), and the *willingness to work for the common good* and tempers the urge for individualistic status-seeking.

The ethical values underlying eudaemonic well-being are derived by “positive psychologists” from the Western philosophical tradition (especially Aristotle). However, we should note that these values also have very solid foundations in Vedantic and Buddhist philosophical traditions that are pervasive in Asia, and which embody a profound understanding of human psychology. The Vedantic philosophers unequivocally proclaimed that the *true source of human happiness lies inside us*. However, the normal state of human consciousness is characterized by a *restless mind*. Because of this perennial restlessness, we continuously seek happiness in material objects and relationships. Such happiness, however, is fleeting,

and so we keep hankering for more external stimuli in the search for happiness. According to Vedantic philosophy, it is possible to access the deeper inner source of happiness through sustained spiritual effort. In its highest form, happiness is independent of material or any other external support.⁵⁷ Even if we do not attain the final goal, we can still attain happiness from inner composure, which is independent of external stimuli. This condition creates positive attitudes such as enthusiasm and insulates us from sorrow and negative emotions. The parallels between these ideas and eudaemonic happiness are obvious. Thus, both eastern and western philosophical traditions strongly support the idea that *well-being rooted in human values can create an ethical foundation for economic behaviour, including consumption.*

The practice of *mindful consumption* is one means for bringing an ethical dimension to consumption by increasing our awareness of its social underpinnings. Mindful consumption is defined as comprising two main elements- (a) A caring mindset that is conscious of the relationship between consumption and nature, self, and community; and (b) mindful consumption behaviour by tempering repetitive, acquisitive and aspirational consumption.⁵⁸ Modern market economies are characterised by a very high degree of specialization in the production of consumer goods. Consequently, most consumers are unaware of many aspects of the commodities that they consume. They lack knowledge of the processes of production, the ingredients that go into their manufacture, how these ingredients are sourced, the sustainability impact of the items consumed, and the human skills, effort and labour required in the entire production chain.⁵⁹ The consumers are thereby *alienated from the human and the environmental dimensions of consumption activity.* Hence, they view the commodities as mere objects with little understanding of their social context and impact. This situation is very different from earlier pre-modern periods of artisanal production, when buyers were aware of the producers' skills, and often directly interacted with them. *Better awareness and engagement with the actual commodities being consumed would increase appreciation of and the happiness derived from the act of consumption.* Scitovsky refers to this conscious engagement with consumption as "stimulus enjoyment", in the absence of which consumption becomes a passive seeking of "comfort", which leads to boredom. In addition, consumers' knowledge of the natural resource requirements of commodities would *contribute to more environmentally responsible consumption.*⁶⁰ Consumers would be more conscious of and care about the impact of their consumption on others and the environment at large. In order to be active participants in mindful consumption, consumers need some background knowledge about the items ("consumption skill" in Scitovsky's terminology). Such knowledge can be imparted in several ways—such as by introducing *innovative courses and activities in schools, by certifying and labelling products* accurately regarding their

contents and environmental impact, by launching *consumer education campaigns*, and by *reducing unethical marketing practices* by business firms.

Accurate and *authentic scientific information about the environment* is essential for a rational response from policy makers and citizens at large. For this reason, *professional expertise must be shared and respected*. Special efforts should be made to protect against fake propaganda and false claims.⁶¹ Persuasion and education on values as well as on scientific findings on environmental sustainability are best conducted via *open, participatory, consultative, respectful and democratic processes*. These should be encouraged. Here independent educationists, researchers, higher education institutions, spiritual teachers, activists, journalists, non-governmental organizations as well as environmentally committed corporate bodies can all contribute to the transformation of mindsets and ideologies. Platforms and deliberative forums should be created for such activities and encouraged by governments.

2. Reorienting the motivation of economic behaviour from individualism towards collective social goals

We recommend reorienting economic motivation of the public towards collective welfare. This is because the problem of sustainability is essentially collective. A concerted collective effort to fulfil a larger social purpose is required to stimulate a response of adequate intensity. This may involve short-term individual sacrifices. The transition would be easier if citizens identify strongly with the collective purpose and recognize that this was being done for the common good, just as the Japanese had done during the oil crisis. Therefore, it is *necessary to awaken a spirit of collective effort to overcome the challenge*.

Curbing individualism has an instrumental value for promoting wellbeing. Historically, individualism emerged in Western society alongside the decline of “religious conceptions of morality”. It was closely associated with the rise of materialistic aspirations and ‘greed’ (Layard). However, *materialistic people*, who place acquiring possessions at the centre of their lives and judge success by possessions, *are in general less happy*. (Richins and Dawson). They experience more negative emotions (*fear, anxiety, and sadness*) and find less meaning in life. (Kashdan and Breen). In individualistic and materialistic cultural environments, we observe a rising incidence of *clinical depression, alcoholism, drug addiction and crime*. In short, there are good reasons to curb excessive individualism.⁶²

Individualistic attitudes have strengthened after market liberalization. There are marked differences in the patterns and intensity of individualism across regions, and between different categories of people within a country. Hence, a *differentiated approach* of

persuasion and engagement is required. Hyper-consumerism is stoked by concerted campaigns of business advertisers, by growth-focused government policies as well as by the mass media.⁶³ This makes the present context challenging for attempts to modify consumer attitudes. However, in many instances of large-scale crisis, such as natural disasters and wars, people do display an extraordinary degree of unselfish cooperation. Today in view of an impending environmental disaster, it should be possible to modify behaviour again through a well-designed and comprehensive strategy. A strong campaign to *provide reliable information and to promote public discussion about the scale of the climate threat should be an important component of the strategy.*

Building awareness about the issue is necessary but it is not sufficient to change behaviour. The citizens must know what they can do after they become aware. We shall elaborate in Section III how a pragmatic action plan can be created. Individualism can be countered by *providing opportunities* for people to be *useful to society*. Psychologists find that the desire to be useful to others is universal and constitutes an important component of well-being. There are few activities more important for contributing to the welfare of society than working *for environmental sustainability*. Hence, *opportunities and a supportive framework can be created for working for environmental sustainability*. There is *ample scope for enabling voluntary efforts* towards this goal.

The human values discussed above are personal in nature. The adoption of moral values by the citizens should be voluntary and spontaneous. These should evolve in a free environment through continuous open public discussion of ethical issues from multiple perspectives and in decentralized forums. Hence, governments should refrain from directly engaging in this domain so that such efforts remain free from coercion, and insulated from party politics, and political competition. Here *schools, universities, research institutions, professional associations, voluntary groups, CSR initiatives of private businesses, religious institutions and non-governmental organizations should have can play a very valuable role.*

3. Facilitating the transition towards sustainable consumption –evidence-based targeting of consumption items

In broad terms moving towards sustainable consumption practices implies a reduction of consumption of those products that have a negative impact on the environment. Conversely people should increase adoption of those products and practices that have a positive impact. How should this be done? We have suggested that policy should attempt to create conditions in which well-being and consumption can be better integrated. For this reason, we have proposed a conscious reorientation of values to create the foundation for changing attitudes

to consumption. To make this approach operational, it should be supported by accurate information about the items of consumption. Hence, we require an *evidence-based strategy that utilizes knowledge about which specific products and activities are more harmful to the environment*. With this knowledge, citizens and policymakers can take concrete practical actions.

From an environmental perspective, scholars of sustainable consumption have highlighted some areas of concern. Studies based on evidence from Western Europe have identified *food, housing and mobility as broad sectors that require attention*. Industries such as *construction of buildings and infrastructure, food products and beverages, alcohol, electricity, gas, steam, heating of water* are estimated to generate 42% of greenhouse gas, 52% of acidifying emissions and 55% of total material requirements.⁶⁴ Similar exercises should be carried out in India which has a different industrial and economic structure. Bhar, Lele, Min and Rao (2024) in a new study have estimated the environmental footprint of the luxury/ conspicuous consumption by the rich segment of the Indian population.⁶⁵ The study measures the *water, carbon dioxide and air pollution* (particulate matter) impact of *consumption across expenditure deciles*. It analyses different categories of consumption items—food-basic, non-food basic and conspicuous/luxury items. The methodology enables identification of local, regional and global environmental footprints of consumption. These are comprehensive estimates that consider both the direct and indirect footprints on all the indicators.⁶⁶ The empirical findings confirm the pattern observed elsewhere that the consumption of the richest decile imposes a distinctly higher environmental burden. Moreover, it also shows that the conspicuous/luxury consumption component in the consumption basket of the rich that has a disproportionately environmental impact rather than their higher consumption expenditures per se. Hence, changing the lifestyle choices of the rich should be a key objective of policy.

These findings and the estimation methodology should help policymakers in forming an evidence-based detailed action plan to limit the consumption of depletable resources, restricting the use of non-renewable resources to their reproducible levels as well as cutting GHG emission. Here, supply side policy action would of course be very important and necessary. *Simultaneously, on the demand-side, the awareness and acceptance by consumers of new or alternative environment-friendly products and practices are equally necessary and should be promoted.*

Given the great disparity in income, social identities, and tastes among citizens a differentiated strategy for consumption is necessary. Lorek and other sustainable consumption scholars have proposed a *two-prong strategy to confine consumption within the*

available “environmental space”. This means that material consumption should stay within specified “upper” and “lower limits”. The upper limit should be considered a *ceiling*. *In a country like India with widespread poverty, the burden of adjustment in consumption should be borne mainly by the better-off sections of the population.* The “lower limit” should be set by the material requirements of a ‘dignified life’ for the poor. Each society should set these targets according to its own norms. In ideal circumstances, the upper income groups would agree to voluntarily adjust their consumption to stay within targeted norms. Strategic policy and persuasion campaigns would be required to achieve this objective.

For the lower income groups, many would stay within the prescribed upper limits out of compulsion –because they simply do not have the purchasing power. If market mechanisms are used to limit consumption without any safeguards, the burden of adjustment required to stay within sustainable limits would fall disproportionately on the poor. In the case of these groups, the government’s consumption policy should include support to their consumption to enable a life of dignity for them. *A life of dignity implies access to housing, jobs, education, water, health services, good governance, and safety,* which are part of building ‘human capabilities’ that Amartya Sen and Martha Nussbaum have identified as essential for human development. However, in today’s context of poverty governments should ensure that the minimum decent standard of living to those income groups are *provided in an environmentally sustainable manner.*

The idea of the environmental lower limit is close to the concept of “basic needs”. Ensuring “basic needs” for the poorer sections of the population via direct intervention has been a longstanding concern of Indian anti-poverty programmes. During the planning era, basic needs strategies were designed such that this goal could be achieved, *without having a negative effect* on the consumption standards of the rich. Planners were concerned that the rich would resist policies that were purely redistributive. The goal of the Fifth Five Year Plan was “redistribution with growth”.⁶⁷ *In today’s sustainability scenario, this poses a policy challenge. The rich themselves would have to reduce consumption* in order to stay within the environmental upper limit. Would they still accept a policy of government spending that guarantees a life of dignity for the poor? This is a serious issue today because the ideology promoted by the dominant stakeholders--market reformers, the commercialized media and national and global business interests-- has prioritized consumerism and ignored rising inequality. The chances of political opposition are high. For this reason, we require a comprehensive approach that includes reorienting the values and ideological framework of society and the promotion of a new development strategy.

- *Estimating Environmental Footprint of a Decent Living Standard*

Operational policy requires clarity about the content of the lower limit of sustainable consumption. Empirical methodologies have been developed to estimate accurately the material requirements of a “decent living standard” and its associated environmental impact. Narasimha Rao and Jihoon Min (2018)⁶⁸ define a *decent living standard (DLS)* by combining elements of multi-dimensional poverty indicators together with the constituents of the human capability approach. These represent the minimum material requirements (“lowest common denominator”) for achieving physical and social well-being. The basic needs and human capability requirements are usually defined in terms of outcome standards that must be met. However, *these requirements cannot be made operational from a sustainability perspective, without knowing the nature and quantity of material resources that would be needed.* Rao and Min propose a *methodology for estimating the material resource requirements that are implied by the DLS.* The DLS can be calibrated to conform to any national context. Such estimates of material resource requirements would enable a *more context-specific effective basic needs provision policy that maintains sustainability.* Some of the material requirements of the DLS would be necessary to ensure a *basic minimum that is “inviolable” and universal,* while others may be negotiated by democratic processes. We recommend that the Rao-Min procedure be adapted for Indian requirements.

In brief, the Rao-Min procedure is the following: (a) Identify criteria for “physical well-being” and “social well-being” and specify in quantitative terms what material goods or services are required for satisfying each criterion. (b) Group these essential material requirements under three categories to determine how they may be provided—*household level, community level and national level requirements.* This will enable effective action. (c) Estimate the natural resource requirements for meeting the specified material requirements—i.e., energy, water, phosphorus and other resources, and plan government spending accordingly.

The DLS requirements and their respective material requirements are specified by Rao-Min according to the following scheme:

Physical Well-being

- *Nutrition* (including macro-nutrients—energy, protein; and micro-nutrients—iron, zinc, minerals) and providing cold storage
- *Shelter* (Solid roof and walls; brick, wood, concrete, or cement/steel)
- *Living Conditions* (sufficient safe space; improved toilets, minimum acceptable water supply)
- *Clothing* (minimum clothing materials)
- *Health Care* (accessible and adequate health care facilities)

- *Air Quality* (clean cooking stoves, restricted transport infrastructure)

Social Well-being

- *Education* (9 years of schooling)
- *Communication* (Phone)
- *Information Access* (TV, Internet)
- *Mobility* (Public Transport, Vehicle)
- *Freedom to Meet, Dissent* (Public Space)

The operational definition of each of the above components of decent living standards would depend on the nation or region being considered. However, *when this exercise is done, policymakers would have specific targets and resource constraints to work with.* They can then design and implement *appropriate household-level, local community-level and national level actions.* These policy actions are more relevant for maintaining the acceptable “lower level” of living standards. Because of poverty, *the direct role of targeted state action is important for ensuring a just structure of sustainable consumption.* There may be a need to raise the consumption of the poor above present levels.

- *The Upper Limit of Sustainable Consumption*

As discussed above, the consumption of the richer sections (including the middle class) would need to be moderated. Reducing the material consumption of the better-off sections is likely to be difficult. Whitmarsh et. al distinguish between “voluntary simplifiers” (those who reduce material consumption by choice) and those who do so from necessity. A key policy objective is to *increase the proportion of voluntary simplifiers.* This can only be accomplished by inducing a change in the motivation to consume of the better off citizens.

The political economy context today is biased against such change. Most market economies are characterised by very high levels of inequality in income and wealth, lowered policy making autonomy of national governments, and a strong consumerist ideology. The number of billionaires and their wealth relative to others have increased significantly. The lavish lifestyles of the super-rich have a very negative impact on the environment. Regrettably, even those who are not super-rich seek to emulate their lifestyle. *The top 1% of global earners are estimated to have caused as much as 20% of carbon pollution in the past 30 years.* On the other end, there is increasing awareness among climate conscious young people in advanced countries. However, their political and economic influence is not yet strong enough to make a real difference. The mainstream culture of advanced countries continues to idolize this conspicuous lifestyle. This makes it politically very difficult to use taxation to curb this type

of environmentally costly consumption by the super-rich.⁶⁹ Unfortunately, the well-to-do sections of the population in emerging economies are swayed by the 'demonstration effect' and share similar lifestyle aspirations. Therefore, coercive policies for moderating and restructuring their consumption would be resented. These groups account for the major share of national consumption expenditure. The top quintile of Indian households accounts for 40 percent of total consumption expenditure and the top 2 quintiles together account for 62 percent.⁷⁰ Hence the use of coercive and/or pecuniary disincentives incentives would be not sufficient nor effective for successfully maintaining consumption within the "upper limit" of the "environmental space". *A different approach is necessary that seeks to promote attitudinal change* among the better-off population. How can this be achieved? We propose below a strategy aimed at modifying their attitudes and behaviour towards consumption.

III. Operationalizing a Consumption Strategy for the Middle- and Upper-income Groups

A. Recent Trends in Indian Consumer Attitudes

To devise an implementable plan for changing consumption, it is necessary first to understand the social, economic, and ideological context of Indian consumer behaviour today. Consumption expenditure has grown substantially over time. The driver is real per capita income which has increased 7-fold between 1950-51 to 2011-12 (Mundle 2017).⁷¹ Most of this increase has occurred after the 1991 market liberalization. India's real per capita income at Purchasing Power Parity (in 2017 international \$) has increased over 6-fold (i.e., between 1990- 2021) according to the World Bank.

Indians' attitudes towards consumption have also changed significantly. Limiting "luxury consumption" by upper income groups was a key part of economic policy until 1991. Before globalization, investment resources were scarce in a closed economy, and planners prioritised high domestic savings to finance capital formation. Imports of consumer goods were restricted to ration foreign exchange. Even the well-to-do considered it patriotic not to indulge in conspicuous consumption. Though many rich and middle-class consumers felt deprived, there was a broad social acceptance of the nation's development goals and people accepted the need to sacrifice consumption. The market reforms of 1991 changed the situation fundamentally. Repressed desires for more and better modern consumer goods were vented. Since then, consumerism has become an integral part of the ideology of key economic policymakers.

The major portion of consumption in India is done by the upper and middle classes. As noted above, *the top 20% of Indian households in terms of income account for 40% of the national consumption*. The standard of living of the Indian upper classes has risen much more rapidly than the average in the past three decades. Their consumption in turn has a major influence on the aspirations and dreams of the less affluent members of society. Their consumption levels have risen dramatically in the last 30 years.

However, India is still a relatively low-income country measured in per capita terms. Though poverty has declined substantially, *the proportion of the population near or below the poverty line is significant*. The RBI's annual report states that 21.92 percent of India's population (269.7 million) was below the poverty line in 2011-12. The UNDP's Multidimensional Poverty Index 2022 finds that though poverty incidence has declined rapidly, India had 16.4 percent of its population below the poverty line in 2019/21.⁷² From the perspective of creating a just and happy society, meeting the basic requirements of consumption of the poor should be a high policy priority. As efforts are made for sustainable consumption, simultaneously the standard of living of the bottom 2 deciles of the population should improve to ensure a decent standard.⁷³

Demographic trends as well as the expansion of mobile phones and connectivity have led some observers to believe that the overall Indian consumer market will expand substantially.⁷⁴ Business marketing expert Rama Bijapurkar has studied the Indian consumer behaviour closely.⁷⁵ Her observations provide valuable insights on the middle- and upper-income classes of consumers.

- The high and increasing heterogeneity of Indian consumer groups: The consumer base is large, and it is diverse in multiple ways. There is an enormous *variety of coexisting lifestyles and cultures*—ranging from very modern to 18th social attitudes. Moreover, the diversity in consumer tastes is increasing. Rising incomes and improved communications are not bringing cultural homogeneity. These varied groups must be targeted separately, because there is little chance that a common message will appeal to all.
- Indian consumer tastes cannot be easily segregated by using standard business marketing criteria such as rural-urban location and town size classification. Half of the nation's rich population resides in rural areas, where there is a large demand for luxury items.
- The Indian middle-class consumer has limited spending power to buy discretionary consumer goods. Leaving aside the richest 2% households, the middle “consumer class” may be defined as the next 20%. This category of consumers *needs to spend on*

education, healthcare, housing and electricity. The government-supplied services are often of low quality, and private sector alternatives are expensive. For this reason, this group is *highly price sensitive*. Policymakers must aim for inexpensive alternatives to reach most Indian consumers.

- Significant presence of young consumers: There are many young consumers with modest incomes who are knowledgeable about consumption trends around the world. More than half of them under the age of 25. They have *cell phones, internet connectivity, and can access technology*. They are not all *located only in urban areas* but are *present also in the villages* where they can access email. However, the Indian youth do not try to automatically imitate the lifestyle of their rich country counterparts but are comfortable with their local identity.
- New "culture classes" have emerged as the Indian economy has grown. They include the modern young upper class, the new groups of prospering small businesspersons (e.g., shop owners, contractors, etc.), the upper class socially conscious elites, and the new IT professionals. Each group has its *distinct lifestyle*. There is also the emergence of new *regional cultural lifestyles* characterized by simultaneous use of regional languages and English, regional TV stations with local content, preference for regional brands of consumer goods.
- New behavioural trends are observable. Powerful motivational trends are influencing the current behaviour of people. There is a strong trend towards materialistic values. These include (a) a strong desire of all categories of people to improve their quality of life, and of their children; (b) the acceptance of consumption as the central theme of life and living; (c) a change from being a contented society to a restless society that is under considerable mental stress; (d) spread of education and among women and their new assertiveness; (e) in some contexts, the ability to consume is constrained by the lack of adequate infrastructure.

These trends and characteristics of Indian consumption give useful information based on which a strategy can be appropriately designed to modify consumption. The strategy should have the following elements.

- The basic material aspirations of the population must be ensured. Adaptation should be voluntary, and consumption should not be repressed. At the same time, the drift towards rampant materialism must be challenged and ideas for less self-seeking values and eudaemonic happiness should be promoted.
- The interventions should be designed and implemented taking into consideration the high degree of diversity in consumption tastes and culture. Tastes vary by income,

region, cultural group affinity, age, etc. Broad mass information campaigns are necessary but not sufficient. They will need to be supplemented with local and targeted intervention. This means that sufficient local knowledge and direct interface between the change agent and the public are necessary. Good quality research inputs are necessary.

- The constraints faced by many people in consuming because of insufficient enabling infrastructure should be addressed. A good example is e-mobility, which requires good roads, charging facilities and sufficient repair facilities for vehicle owners. For public transportation, there should be enough electric buses and routes. The absence of such facilities would hamper adoption even among those who are ready to do so.
- Barring the top 2% of households by income, price would be a significant consideration for consumers. Therefore, availability of low-cost alternatives is essential.
- The younger population deserves special attention. Not only is it because of their significant numbers and spending power, but because their behaviour can set trends for others. The younger generation is often the “conscience-keeper” of society, and they are more open to discussion and debates on ethical issues. Here the higher education institutions of the country can play an important role.

B. Action Plan for Promoting Consumption Behaviour Change

The preceding sections of the paper have indicated the rationale and objectives of our strategy based on social science research and evidence. These may be useful building blocks for constructing an operational plan to implement change. Behavioural scientists offer some guidance on how to design programmes for changing attitudes.⁷⁶ An effective institutional framework is also required for promoting adoption of new values and attitudes. To transform attitudes and behaviour in favour of sustainability and well-being, we propose applying the *insights of behavioural scientists and using the tools of marketing*. These provide the psychological techniques and the institutional structure for implementing change.

Before we discuss the design of the implementation institutions, let us restate the key new social attitudes and behaviours that we want to promote. Some of these relate to creating the foundations for eudaemonic well-being through adoption of values. Others concern modifying behaviour for environmental sustainability directly. However, as we have argued earlier, these two objectives should not be seen as separate. They have a synergistic relationship. When people can transcend hedonistic cravings and experience a deeper quality of

happiness, they are more likely to act in the common interest and adopt sustainable behaviour. The behavioural transformations that we want to promote are the following:

1. *Values and Attitudes*

- i) *Tempering the pursuit of material accumulation and consumption.* Happiness does not depend only on income, and positive values like gratitude enable a deeper form of happiness than gratification of consumption desires. Other attitudes such as social connectedness and belonging, inner composure, security contribute.
- ii) *Moderating excessive individualism.* Prioritizing money, power and individual achievement leads to an uncaring attitude about others. Lowered individualistic enables people to break away from the “hedonic treadmill” and competitive consumption. It supports contentment and gratitude for what we already possess and reduces greed. It thereby enhances their propensity for a deeper source of well-being (“eudaemonic happiness” or functioning better).
- iii) *Discouraging the pursuit of social status via income and material possessions.* The drive for status is a major reason for the continuous rise in consumption, but this does not provide lasting satisfaction. What is regarded as adequate consumption keeps rising continuously. Conspicuous consumption and personal wealth are actively portrayed as status symbols by privately owned mass media in market societies. However, this trend can be countered. Other personal attributes and achievements should be duly recognized, honoured, and celebrated. These include generosity, voluntary social contributions to public causes, innovations and inventions that enable sustainability. These will offer alternative non-pecuniary platforms for status.
- iv) *Promoting values that support the “voluntary simplification” of material consumption.* People who voluntarily adapt consumption are motivated by altruistic objectives:
 - (a) the desire to be ecologically responsible.
 - (b) the desire to support the local community.
 - (c) the desire to maintain a spiritual life.
 - (d) the desire for greater personal freedom from the demands of work and having to spend income.⁷⁷
- v) *Promoting community spirit.* Strengthening social capital and feelings of solidarity would lay the basis for working collectively towards a common good. This would include the willingness to align consumption choices towards sustainability. Once the collective identification takes hold in a society, people will respond more readily to collective incentives and adapt behaviour (even if it goes against their personal

interests). For this, we may promote and strengthen a new identity among the target group as members of society of ethical consumers committed to sustainability.

- vi) *Promoting mindful consumption.* As discussed above, this involves enabling consumers to have deeper awareness about the items that they consume. They should have clear information available about the environmental impact of the product.⁷⁸ Citizens should be aware of environmental experts' opinions regarding the nature and magnitude of the challenges. They should also be aware of the human aspects of the production process (e.g., employment, skills associated, cultural and heritage aspects). This active engagement would enable individuals to derive greater joy and stimulation from consuming.⁷⁹ It would also enable them to make more socially conscious consumption decisions. It would be possible for consumer groups to engage with producers and communicate their preferences for new environmentally appropriate products.⁸⁰

The above attitude and behaviour changes involve *transforming deep rooted beliefs and habits*. Economic incentives and mass communication campaigns would not be sufficient. They would need to be integrated into a well-designed programme of persuasion. Behavioural science offers guidance on how a programme of persuasion may be designed.⁸¹ Education can play a major role in transforming and enhancing the decision-making capacity of individuals. This can bring about lasting attitude change by building understanding of the issues at hand.

2. Social Norms

Thus far, we have discussed individual-level influences on behaviour. However, social determinants of individual behaviour are equally important. Besides knowledge, individuals require a supportive social environment to undertake lasting behaviour change. Sociologists highlight the importance of social and infrastructural contexts in influencing how people behave. Individuals generally act in accordance with the prevailing norms in their society. They tend to internalize social norms to create personal norms and thereby form habits. The challenge for policymakers is to change existing norms towards those favouring desirable behaviour (so-called 'injunctive norms'). Though norms tend to be stable, they do change. According to research on 'dynamic norms', individuals are perceptive of ongoing changes in norms and will adapt their norms accordingly. An effective way of speeding up the process is to demonstrate to individuals that many others are already acting in a desirable manner. (Robert Cialdini et al).⁸² Studies have also shown that group-level processes are very helpful. When individuals form groups, address issues collectively, they motivate each other to act in

desirable ways. These insights from behaviour science provide useful ideas for designing implementation programmes. They are also in conformity with our discussion in the preceding sections where we emphasize the need for collective approaches and importance of new norms and values.

3. *Strategy for Implementing Behaviour Change*

We turn now to the implementation strategy for behaviour change. Drawing on the behaviour science theories, Susan Michie and her co-authors have identified three features that should be built into a practical programme of behaviour change. These constitute the necessary and sufficient conditions for voluntary adaptation.⁸³ For any desired change, the policymakers responsible and their change agencies must ensure that these conditions are present. They must (a) assess and enable the *skills* that are necessary to perform the behaviour, (b) ensure that individuals have a *strong intention* to perform the behaviour, and (c) see that *no environmental and infrastructure constraints* exist that may impede the behaviour.⁸⁴ With respect to enabling external conditions, policymakers must address issues such as availability of physical infrastructure for an activity. For example, if the government wants to promote e-vehicles and even when many are interested, the absence of reasonable roads, repair facilities and power supply would be a hindrance to adoption. In another context, social barriers, fashions, or taboos may be a hindrance to say the acceptance of recycled drinking water, or environment-friendly buildings.

Besides the interventions at the level of individual behaviour mentioned above, we require an array of complementary *macro-level interventions* on the part of policymakers. Some of these interventions aim at direct impact on behaviours via typical policy instruments—such as incentives, restrictions, and planning. Others try to work indirectly by helping to create a favourable environment such as education, training, and facilitation. The strong support of the government is essential. However, in some interventions, *it may be more efficient and effective for the government not to act directly but act through partners from civil society organizations, educational institutions, foundations and charitable organizations, professional associations, and private sector companies*. To be effective, the choice of the appropriate messenger is as important as the message itself. This would expand the participation of larger segments of the society, increase public enthusiasm, increasing public voluntary contributions, and leverage innovation and local knowledge and social networks. Perhaps the most important macro-level initiative that the government must take is to signal its strong commitment to sustainability and well-being via the *articulation of a comprehensive vision and concrete action plan and targets*. This would set the overall road map for sustainability. The individual component interventions could be synergistically dovetailed into such a plan.

IV. Designing the Implementation Institutions—A Social Marketing Approach

A. The Social Marketing Framework

We have discussed at length the goals, theoretical basis, and key elements of our consumption strategy. Let consider now how the strategy can be implemented in practice. The nature of the task is complex, and we require an organizational system that can connect with people and change attitudes and behaviour. The role of the government is crucial. The state must provide policy leadership, participation, and support. However, a hierarchical bureaucratic system is not suitable for this mission. The professional techniques of business marketing have long been effectively used to persuade and influence behaviour. Normally, the tools and methods of marketing are applied for promoting and selling products and services on behalf of profit-seeking business enterprises. *Social marketing is the application of these principles and techniques for “selling” social causes.* Philip Kotler and Gerald Zaltman pioneered the approach in the 1970s.⁸⁵ Over the years, social marketing has evolved as a professional field, and it has been successfully applied in diverse contexts. The objective of social marketing is to *create conditions for the acceptance of good social ideas and corresponding behaviour change.* Lee, Rothschild, and Smith, define social marketing as “a process that uses marketing principles and techniques to influence target audience behaviours that will benefit society as well as the individual. This strategically oriented discipline relies on *creating, communicating, delivering and exchanging offerings that have positive value for individuals, clients, partners and society at large*”.⁸⁶ Specific examples include reducing tobacco use, decreasing infant mortality, HIV prevention, protecting against malaria, encouraging safe driving, decreasing littering, increasing recycling, and using improved cooking stoves that reduce indoor pollution.

Early attempts to spread social messages relied exclusively on *mass campaigns*. Social marketing emerged from the failure of these traditional efforts. *Three enabling conditions are required for mass communication campaigns to succeed.* These pre-conditions do not exist simultaneously in most cases, including our proposed strategy for India. The conditions are: (a) ‘*Psychological monopolization*’ or *the absence of counter-messages*. Normally, strong opposing views resist the social message being communicated. Their presence dilutes the effectiveness of the campaign. Only in special circumstances like war, or in authoritarian societies, counter-messages are muted. When campaigning for sustainability, we should

expect opposition from climate deniers, and business interests who gain from high consumption and/or fossil fuel use.

(b) The *prior existence of a favourable attitudinal base* for the idea that is being promoted. The mass media campaign works better if it does not try to instil new attitudes and/or new behaviour patterns. It must be recognized that the prevailing attitude in our context is biased towards consumerism backed by aggressive commercial marketing.

(c) *Supplementation* or following up the mass communication campaign with programmes of face-to-face contacts.⁸⁷

Pre-conditions (a) and (b) do not exist in our context. In addition, we must go beyond mass campaigns in India and design a strategic action plan using the social marketing approach. This approach differs from sales promotion. Marketing is a *two-way process* which aims to discover the wants of the target population and modify the product appropriately. It involves *interactions with multiple stakeholders*. Once the target group has been identified, social marketers focus on the following four activities: (a) Assessment of the *intensity* of the target group member's *motivation* towards the goal. (b) Providing *knowledge of where or how* the motivated individual might proceed to fulfil his objective. (c) *Creating a competent and compatible agency* that enables the individual to act on his new motivation. (d) The individual's *perceived cost and degree of effort* required to fulfil the motivation in relation to the reward.⁸⁸

The Kotler and Zaltman framework adapts the business marketing to the task of marketing social ideas. The approach involves making strategic decisions about *product planning, pricing, communication, distribution and market research*. However, these basic concepts and techniques must be *substantially modified for marketing social ideas*. For example, the concept of the '*product*' in this context is more complex and diffuse. The social marketer needs to analyze the target audiences and design appropriate '*products*' (i.e., activities or attitudes to be promoted) that the target audience willingly accepts (or '*buys*'). To bring about an attitudinal change, multiple '*products*' may need to be created and '*sold*'. Each '*product*' might contribute partially to the broad cause. Thus, to persuade people to accept a public health cause like 'quit smoking'—a range of '*products*' may be needed, including a public education media campaign, creating physical exercise programmes to demonstrate good health effects, persuading managers to introduce workplace norms, introducing lower health insurance premiums for non-smokers, etc. In essence, *product planning in social marketing includes clearly defining the change sought in terms of change in values, beliefs, affects, behaviour, or some combination of these elements*. To achieve this objective, the

*target audience must be carefully analysed and segmented, and social products must be designed such that they are acceptable to each segment. This exercise should be carried out in each particular context to design the appropriate intervention strategy.*⁸⁹

The next element is *promotion*, which is a *communications and presentation strategy* to make the 'products' familiar, acceptable and even desirable to each segment of the target audience. This includes advertising, publicity, personal selling, and miscellaneous activities (such as special programmes, incentives, materials, and organising promotional events). Each of these activities requires *detailed professional planning and implementation as well as adequate budgets*.

The idea of *place* in social marketing refers to *providing adequate response channels to the target groups on how to act*. After the members of the target population have accepted the social idea, they should know what they can concretely do. Where can they go? *Clearly defined action outlets must be suggested to them*. Without a clear action outlet, mass communication programmes can backfire. Even those who are convinced that sustainable consumption is necessary would lose hope, get frustrated and turn away unless people also know how to act and the options available to them.

Finally, *price* refers to the cost that people who accept the social idea must incur in following through. This includes not only the money cost, but also opportunity cost, the cost in terms of effort that must be expended, and the psychological cost that might be associated with an action. An example of psychological cost is the humiliation and neglect that the poor may face in a free public hospital. The target population member would weigh the benefits against these costs before they 'buy' the idea.

It is evident from the above discussion that a comprehensive and detailed institutional structure is necessary for planning, coordinating and implementing diverse actions. Kotler and Zaltman recommend setting up *a social marketing planning and administration system* with the following elements:

- *A nodal change agency that has both a research unit and a planning unit. The research unit should make an informed and objective assessment of the social environment in which the campaign is to be conducted.*⁹⁰ This includes understanding the relevant economic, political and technological conditions and their influence on the social idea. Based on these assessments, the change agency should plan and implement the

action strategy and coordinate the campaign across multiple arenas and involving several actors.

- The nodal agency should have *adequate professional personnel and suitable organizational structure*, as well as sufficient resources and functional autonomy.
- The agency must decide on the *strategic planning variables (i.e., product, promotion, place, and price)* and their sub-components. For *product planning*, the agency must specify the product components (both the *core product* as well as related *complementary products*). For *promotion*, the details of the campaign with respect to *advertising, personal selling, publicity and miscellaneous promotion* need to be planned. The associated teams and delivery instruments must be chosen and provided with guidance and resources. Finally, in relation to *price*, the agency must assess the *money costs, opportunity costs, energy or effort costs and the psychological costs* associated with each 'product'.
- Regarding *place*, the agency must decide on the types of channels (or *contact routes*) to be used, *their number, size, locations and compatibility*. The agency must select the *channels* through which the social idea is 'sold'. Varied types of *channels* that may be utilized, including *mass media and specialised media outlets, paid agents, as well as voluntary groups* and associations.
- The agency must identify the *broad social markets* as well their relevant *segments (or target groups)* towards which their campaign would be directed. These segments should be categorized into the *primary target market, the secondary and tertiary target markets as well as miscellaneous target markets*.

The creation of an operational social marketing planning system consumption for India requires *substantial empirical research and the specification of a detailed institutional structure and action plan*. While overall coordination of the intervention initiatives is necessary, *a decentralized organization for distinct social marketing plans* are needed for each area of targeted behaviour change. This means that many different social marketing interventions need to be launched. Leadership could be assumed by different stakeholders depending on the issue at hand—government bodies, private business, civil society organizations. The government must create an enabling environment and provide advice and guidance for these initiatives. These institutional structures must be tailored to the suit the task at hand. This is a large scale and complex task.

B. Two Case Studies of Experiments to Promote Change in Consumer Behaviour and Values

Here we will discuss two promising cases of attempted behaviour change in India. Both initiatives are interesting and innovative, and their institutional designs may be adapted and scaled up for broader applications. Their domains are very different. The first case deals with promoting sustainable consumption and the second with transforming human values.

The first case is a pilot campaign to promote adoption of roof top solar electricity in residential buildings in Delhi. Even though promoting solar electricity is an important part of Indian energy policy, most of the adoption thus far has been by business enterprises. The household response has been meagre. This initiative experiments with a sophisticated marketing approach that is adapted from the US-based “Solarise” campaigns to two affluent Delhi residential neighbourhoods. Despite being conducted during the challenging Covid 19 period (2020-21), the pilot exercise was reasonably successful. Its institutional design incorporates several aspects of the social marketing framework. This type of social marketing approach, to our knowledge, has not been tried in India earlier. We shall explain and assess their campaign.

The second case is very different. It deals with *changing fundamental values of individuals that would catalyse eudaemonic and caring mindset*. Individuals would experience greater well-being, be more inclined to pursue the collective good, and also to engage in mindful consumption. More empirical research is needed to estimate the magnitude of the effect of eudaemonic values on material consumption. However, there is some evidence that values do affect consumer behaviour in India. Gupta and Verma (2019), on the basis of an experimental study of business students report that meditation simultaneously increases mindfulness, mindful consumption and life satisfaction.⁹¹

Here, we examine the initiative to introduce human values education in an Indian engineering college- the International Institute of Information Technology Hyderabad (IIITH). This experiment was part of a larger parallel effort in which several other Indian engineering institutions participated. This was a pioneering effort by IIITH that started in 1998. It is interesting to note that over time the inclusion of a human values course in the higher education curriculum has found wide acceptance. Apex Indian higher education regulatory and funding bodies (the All-India Council of Technical Education (AICTE) and the University Grants Commission (UGC)) have endorsed the idea. The values that should be promoted are

those that support non-individualistic, less materialistic, more socially cooperative behaviour. We have argued above that these values are helpful in achieving deeper eudaemonic happiness. This would also reduce the addictive drive for consumption, strengthen cooperative efforts, and thereby motivate sustainability initiatives. In this kind of campaign, neither economic incentives nor government command mechanisms are likely to be effective. We shall briefly examine the essential features of these two initiatives from a social marketing perspective, draw lessons for designing similar interventions.

Case 1: Solarise Delhi campaign to promote Residential Rooftop Solar PV installation⁹²

Transitioning to renewable energy sources for electricity generation is an important component of India's strategy for environmental sustainability. The estimated technical potential for residential rooftop solar (RTS) generation is 210 GW. The major share of solar capacity that has been installed thus far has been by business establishments. The response of households has been poor. An important reason for this is the lack of consumer engagement. A survey of consumer perceptions and experiences with RTS was conducted by the World Resources Institute in five Indian cities during 2017-18 (Bengaluru, Chandigarh, Chennai, Jaipur and Nagpur)⁹³. The survey found that the most important reasons for lack of adoption were (a) the lack of clear, objective and accessible information for installation, (b) Absence of customized financing options, and (c) lack of coordination, institutional priorities and processes. Much of the union government's promotion effort has focused on economic and financial incentives suitable for business customers. However, consumers also require other forms of support. The campaign discussed below is an effort to address some of these challenges.

"Solarise Delhi" was a pilot campaign to stimulate consumer interest and demand for RTS. The exercise is of relevance because it directly concerns changing consumption choices in favour of environmental sustainability. The institutional design of the campaign has the following features.

- The campaign was conceived at the apex level by the US-India Clean Energy Finance Task Force, which is an inter-governmental collaboration between the Bureau of Energy Resources of the US State Department and the Ministry of New and Renewable Energy, Government of India, which also provided financial support.
- The "Change Agency" appointed by the sponsors to plan and manage the campaign was a collaborative team comprising of three institutions: (a) Council on Energy, Environment and Water (CEEW), (b) BSES Yamuna Power Limited (BYPL), and (c)

BSES Rajdhani Power Limited (BRPL). CEEW is a non-profit research institution that undertakes research projects on energy, environment and water. The Government of India, as well as several state governments, sponsor many of their projects. It has a governing board comprising mostly private corporate sector leaders. BYPL and BRPL are both power distribution companies supplying power to different parts of the National Capital Territory of Delhi. Both are privatized entities jointly owned by Reliance Infrastructure Ltd and the Government of Delhi. Reliance has a majority stake in both discoms.

- CEEW led the planning and research functions for the campaign. For this it was guided by the expertise of two American partner organizations (SmartPower and WeeGreen). These organizations had prior experience in promoting a very similar “Solarize” campaign in different US locations. They shared their organizational knowledge techniques and online tools with CEEW and provided advice throughout the campaign. SmartPower is a non-profit social marketing firm based that is dedicated to promoting clean, renewable energy and energy efficiency. It has experience with supporting the creation of ‘on-the-ground campaigns’ to engage the public, and to monitor the effectiveness of the campaigns. SmartPower has worked with federal, state and local governments in the USA as well as utilities and private companies. It is interesting to note that in its formative phase SmartPower worked with two leading US universities (Yale University School of Environment and NYU’s Stern School of Business) on projects funded by the US Department of Energy. WeeGreen is a software firm that has developed a digital platform to support the community’s sustainability initiatives. These two firms are the architects and implementers of the US-based “Solarize” campaigns. The Delhi pilot project closely follows this model.
- Power distribution companies BYPL and BYRL were part of the planning team of the campaign. Their role was important in the implementation of the project. The discoms helped select the target group and identified 2 Delhi localities for the project as target communities, viz, Safdarjung (South Delhi) and Karkardooma (East Delhi). From Safdarjung 11,000 households and from Karkardooma 4000 households were identified as the ‘target market’.
- The product being sold through this campaign was residential roof top solar installations.⁹⁴ Cost information is not given in the report, but it may be assumed that the investment amount was substantial. The equipment had to be procured from private vendors. To instil consumer confidence about product quality the two discoms selected a small number of vendors from whom the purchase could be made.

- The promotion activities for generation consumer interest included:
 - Educating consumers about the potential benefits of RTS.
 - Utilizing the cooperation of Resident Welfare Associations (RWAs) as “local ambassadors” for word-of-mouth recommendations and dialogues
 - Connecting the consumers with the “trusted vendors”
- A variety of communication channels were utilised. These were developed by CEEW with the help of its partners WeeGreen and SmartPower. Specially adapted online platforms and instruments were used, including:
 - Campaign website based on the WeeGreen design⁹⁵
 - Virtual events in which CEEW, discoms and solar vendors participated
 - Social media pages
 - Posters in public places
 - Dedicated telephone numbers to respond to queries
 - SMS messages sent by Discoms
 - Print ads in electricity bills
- An information sharing system was created to collate and share information gathered from the multiple communication channels (WeeGreen, WhatsApp and hotline number) regarding consumer interest with all the stakeholders. This information was shared rapidly with the vendors.
- The effectiveness of the campaign was monitored on a regular basis via information collected online regarding the extent of consumer engagement (number of visitors on WeeGreen website), the number of proposals offered to consumers, changes in consumer awareness levels and perceptions about RTS.
- On the price component of the campaign, no information is available in the report about the money cost. However, the unavailability of adequate financing options and incentive schemes has been a source of concern for consumers. Also, the availability of trustworthy vendors and access to clear information via multiple channels lowered the uncertainty and search costs for consumers. The involvement of the local community via RWAs served as a trustworthy source of informal consultation.

Assessment:

Solarise Delhi is a promising pilot initiative that illustrates the application of marketing principles for boosting demand for RTS. Its design is based on the social marketing model discussed above. This model should be studied, adapted and applied in similar contexts. This approach to promoting sustainable consumer behaviour is very new to India. To my knowledge, this is the first conscious effort to apply social marketing in this

domain. Even in the USA the Solarize campaign is recent. A key feature is the strong effort to connect with potential customers, to provide more information, remove uncertainty, instil confidence about the product quality and the reliability of vendors. A second aspect is the effort to leverage on community trust and solidarity by involving the local RWAs and treat them as local ambassadors for face-to-face communications. A third feature of the initiative is the imaginative use of information technology, which included a specially designed website for 2-way communication and real-time monitoring of campaign parameters. Besides the website multiple communication channels were used in a coordinated manner.

Despite the above positive features, there are a few issues that should be considered when applying the model in other cities.

- This campaign is likely to be effective in affluent locations. Initiatives targeting middle class households and apartment buildings would need a higher degree of community involvement. Some of the decisions would need to be collectively taken, not by an individual household. The RWAs would face a more challenging task when convincing their members.
- The model requires the selected locales to have good quality internet infrastructure. This should be kept in mind when non-metro, second and third tier towns are targeted. More intensive of direct contact channels would be needed.
- Even though this initiative is fully aligned with the Government of India's sustainability goals, the behaviour motivation campaign relies almost completely on economic incentives. RTS is promoted no differently from any other durable good. There is no social message that there is a larger collective goal is accomplished when customers adopt RTS. The sustainability imperative of saving the planet ('green ideology'), or of working towards a national strategic goal ('good citizenship'). Here, the national and state governments must play a more prominent role in projecting a national mission.
- The governance model used in the pilot project may not be easily replicable elsewhere. It had very high profile backing that would have enhanced its acceptability. The direct participation of the Indian and US governments (the US-India Clean Energy Task Force) would have induced the ready cooperation of the two power distribution companies that played a key role in implementing the initiative in multiple ways. The participation of the two US-based organizations (SmartPower and WeeGreen) and their willingness to customize the web platform and the communication strategy and instruments, as well as the coordinating and research

functions of CEEW were crucial. The report suggests that a central repository of resources and 'campaign tools' would be helpful in stimulating others to start their own campaigns. However, direct hands-on guidance and participation may still be necessary until the model becomes better understood.

- There is not enough information in the report about financial and economic aspects of the project. For example, it is not clear from the report what economic incentives were provided to BYPL and BYRL for implementing of the project. In some states, priorities of government agencies are conflicting. The distribution companies find it less profitable to utilize RTS electricity compared to conventional power because RTS power is subsidized. The capacity of officials to provide information and guidance need to be improved, and the architectural specifications of municipalities should be examined and aligned to RTS. These issues would need to be resolved before the discoms can be entrusted with the responsibility for implementing the campaigns.
- Finally, the role of a catalysing organization is crucial. This should be a non-governmental body with knowledge-creating and networking capabilities. In the Delhi example, a specialized NGO like CEEW was present. These do not exist elsewhere in India. Such non-profit organizations or social enterprises should be nurtured with governmental grants and CSR funds. Training programmes for capacity building in these organizations should be introduced for their own staff as well as those of partner institutions (Discoms, vendors).

Case 2: Promoting Behaviour Change via Human Values Education—International Institute of Information Technology Hyderabad (IIITH) ⁹⁶

Our earlier discussion highlighted the urgent need to adapt human values and norms so that citizens can attain a higher quality of well-being. After market liberalization, driven by business advertising, liberal debt financing and media hype, India's middle and upper classes are caught in the grip of a strong consumerist ideology, together with a rise in individualistic values. We have argued that these tendencies need to be moderated because they run counter to eudaemonic well-being and to sustainable consumption. These values and associated norms constitute the psychological foundation for addictive consumption and materialist accumulation. In Western societies, they have contributed to unhappiness and dysfunctional societies characterised by anxiety, depression, status-insecurity, substance abuse, lack of empathy and antisocial behaviour. In India also, similar trends are emerging. Hence, it is necessary to move beyond the search for external sources of happiness and to promote inner stability and intrinsic control of feelings. This will enable mindful consumption

decisions. We should also promote values that support social cooperation, community harmony and personal freedom.

How can deeply held personal values be transformed? Here, using material incentives, marketing campaigns as well as top-down coercive methods of persuasion are likely to be counter-productive. The values change must be allowed to emerge from within. This can happen by creating space for reflection and deliberation. Education can be one of the most natural and effective vehicles to transform values. Undergraduate students are an extremely important section of the Indian population, whose values and attitudes towards personal and professional life and towards society in general are crystallized during college years. The values of young people can in turn shape the ideology of an entire generation, as happened during the 1960s in American and European societies. Let us examine the innovative initiative of the IIITH to create and introduce a course in human values in technical university. This was among the pioneering efforts, which began in a micro-scale in this technical university in Hyderabad in 1998. The need for a programme to promote human values was recognized by several other technical institutions and parallel efforts were made in the Indian Institute of Technology Delhi (IIT Delhi), IIT Kanpur, NIT Raipur, Punjab Technological University among others. The first such course was introduced in IIT Delhi, followed by NIT Raipur. However, it is the Human Values course in IIITH that has proved to be the most effective.

Beginning in the 1960s, engineering education occupies the centre stage of higher education in India. Motivated by the zeal of building a modern industrially competent independent India and strongly supported by the Government of India, high quality engineering institutions were established in India. This momentum has continued and has received a big boost with the rise of information technology and India's prominent role in the field. Many new engineering colleges and universities were established both in the public and private sectors. These colleges typically offer 4-year B Tech courses, which offer good job opportunities to graduates. Consequently, these programmes are in high demand from the student community and there is intense competition to gain admission to the top schools. The B Tech programmes have a very strong technical curriculum and focus exclusively on imparting knowledge and skills. There is hardly any attention given to issues related to society, economy, and the humanities. Because of their narrow focus, these institutions have deviated from the larger aims of higher education that were articulated by its political and intellectual champions at the time of independence. Jawaharlal Nehru, S. Radhakrishnan and Rabindranath Tagore espoused a broad, open and humanistic vision for university education.⁹⁷

IIITH is an autonomous non-profit university that was founded in 1998 in a public-private partnership mode by the Government of Andhra Pradesh and NASSCOM. Prof. Rajeev Sangal was its first director. During its early formative phase, the university sought to create a participatory environment in which the students were allowed considerable opportunities for voluntary activities in the university. The early student cohorts participated voluntarily several activities including in the running of the student canteens, web infrastructure development, organizing sports, cultural activities and so on. During first five years or so, the student body was small, and the faculty and students communicated and cooperated closely. However, as the university expanded these channels became less effective. There were clear signs of malaise in student attitudes and behaviour. Unethical practices were reported in the student parliament elections, class attendance dropped, students were asleep or distracted during lectures, participation in extra-curricular activities was low, and so on. The communication gap between students and faculty increased. These problems are very commonplace in Indian colleges. They are usually ignored unless some escalation leads to confrontation and disciplinary action. The IIITH faculty, however, decided to examine the reasons for this phenomenon and of ways to address them. Their response was the *introduction of a human values course in the undergraduate curriculum*.

The faculty team found that the emotional and psychological atmosphere experienced by the students was characterised by negativities, such as:

- Unhappiness, dissatisfaction, lack of hope, feeling of futility (at the individual level).
- Conflict, interpersonal tensions, feeling of injustice (at the family level)
- Selfish behaviour, vicious competition, opposition, exploitation, struggle, poverty, unemployment (at the social level)
- Ecological imbalance, pollution, natural resource exhaustion (at the level of nature and the environment)

The faculty team concluded that the regular engineering curriculum was lop-sided. It provided technical skills and knowledge, but it did not enable the capacity in students to think independently. Their opinions were shaped by peer pressure, and they competed intensely for well-paying jobs. Often these jobs were emotionally unfulfilling.

The human values course was aimed at strengthening the students' capacity to make choices from a position of inner stability and discernment. In other words, they should be able to distinguish between what is of value to them and what is superficial. The basic approach of the course was to be "rational, universal and humanistic". Its objectives were:

- (a) To develop the critical ability to distinguish between what is superficial and what is of value to life
- (b) To encourage the students to act based on their choice of what they value, i.e., to move from discrimination to commitment
- (c) To encourage students to discover what is of value to them in real situations in life, rather than to teach values

The pedagogy used was different from usual courses. There was no effort by the to “teach values” or give instructions on moral conduct via lectures.⁹⁸ Instead, students were encouraged to do self-observation, and to assess their own behaviour and true values. The emphasis was on self-reflection and collective learning. The students were divided into small groups, with a faculty mentor assigned to each group, who would moderate the discussions. Students were asked to reflect on how they would act in “ordinary situations”. Each student’s observations and analyses were shared with other group members.

Among the key issues explored at the individual-level in the course were:

- Human needs and relationships
- Life aspirations--‘What do we want to be’?
- Self-confidence—thinking independently
- Peer pressure—how to deal with it
- Anger—how not to be reactive
- Relationships with teachers
- Time management
- Identifying our own strengths and weaknesses—Excellence and competition; handling stress
- Setting goals
- Skills and values

At the level of interactions with others, the course encourages students to explore such attitudes as:

- Trust
- Respect
- Affection
- Gratitude

The core process in the pedagogy was to strengthen the student's capacity to examine his/her own life situation from the standpoint of two questions: (a) Intention—"what do I really want to be?" and (b) Competence—"what we are" (i.e., our ability to fulfil this intention). The key operating assumption regarding human behaviour here is that when an individual can understand what he/she "truly wants" at a deep level, then his/her desires tend to get set by this "right understanding". The students are then no longer driven by extrinsic events and pressures.

Designed as a compulsory 1 semester course, the class met each week for 2 class interactions and had 2 hours of practice sessions. In addition, there was a 1- week preparatory "Jeevan Vidya" workshop, which was also compulsory.

The students were evaluated on a "Pass/Fail" basis. To pass the course, each student was required to participate in class discussions, submit weekly reports and a final report.

The faculty members teaching the course were all regular members of various engineering departments.

Assessment

- This is a very interesting and innovative initiative to promote a practical understanding of human values among young people at a crucial formative period of their life. This course can serve as a model that can be suitably adapted for similar programmes elsewhere. There is no doubt that the IIITH team has correctly identified a major flaw in the higher education system, particularly for professional education. This lop-sidedness is at the core of stress, unhappiness and dysfunctional behaviour often observed in students.
- Due to unavailability of sufficient information, it is not possible for me to judge the impact of the programme on students. However, the general assessment by the faculty is that it did have a positive impact on student behaviour in the university. They were more relaxed with themselves, seemed to have a more considered and balanced view of the role of money in their life, and derive more joy from their relationships, and seeking knowledge from their academic study. Their decisions regarding jobs were not made only on basis of income prospects. They also showed greater sensitivity towards nature and to social problems.
- The content of the course is extremely well aligned with the concept of 'eudaemonic happiness' that we discussed earlier, which was based on work of western positive psychology. This is coincidental because the designers of the IIITH course

developed the course independently of any influence of positive psychology. The ideas and methods underlying the IIITH programme are explained in detail in a textbook written by the original designers of the course, Professors R.R. Gaur, R. Sangal and G.P. Bagaria.⁹⁹ This book is a useful guide for teachers in other institutions who might want to introduce human values in the curriculum. Their approach is founded on the philosophy propounded by a yogi and teacher based in Madhya Pradesh, India, whose work has had a deep impact on the authors.¹⁰⁰ It is therefore remarkable that the essential principles of this philosophy have a such a close affinity with western happiness research.

- Ethics and values are extremely difficult to teach in a university setting. These themes are normally part of philosophical and spiritual doctrines and discourses. All the great religions of the world have implicit and explicit rules for ethical behaviour, as well as belief systems. Therefore, in a society comprising of people from diverse religious backgrounds, languages and cultures, a human values course should be able to appeal to truly universal human values, that transcend these differences among faiths. At the same time, in the intellectual setting of a university, there is always the need to establish credibility. This means that the course should have a coherent, rigorous foundation. Here, the Gaur et. al book, drawn on the Madhyasth darshan philosophy is a recommended text for the course. Faculty members are free to introduce other reading materials in their respective discussion groups.
- The pedagogy of the course is commendable. Except for the preparatory workshop, it avoids lectures and gets the students to think for themselves so that they can discover what they truly value. The class is divided into small groups of approximately 20 students each. Each discussion group is assigned a faculty mentor who organizes and moderates the class discussions. There is no effort to recommend any 'correct viewpoint', even though discussions are intense. The students are encouraged examine their own life situations, to test out their assumptions and to form their own judgements. Small groups and skilled teachers are necessary to have meaningful class sessions. The faculty must also read weekly reports submitted by each student, and a final paper as well. There are also 'practice' sessions, in which students work on projects that encourage them to interact with society.
- The pedagogy requires a fair amount of time commitment from faculty members. The strong support of the head of the institution and a core group of strongly motivated faculty members are crucial for success. Faculty commitment is likely to be a challenge when the size of the student body is large. It is heartening that in IIIHT,

despite expansion in the student body, and change in the university's leadership, and despite the fact that several members of the initial faculty team have moved on, the course has retained its identity. It is still running successfully after nearly two decades and up to 30 faculty members have been involved with teaching the course. The student feedback has been generally positive. Around 70 to 80 percent of the students indicate that they find it valuable. The informal feedback from alumni indicates that many have found the lessons learnt from the course valuable.

Reflections on lessons from the IIITH experiment for introducing human values education in other Institutions

- The IIITH has itself attempted to engage with other academic institutions to promote a course in human values in the undergraduate curriculum. From a social marketing perspective, we can examine the institutional implementation framework that has organically evolved thus far. In social marketing terminology, the IIITH has emerged as a *change agency*. On its own initiative, it has developed the capacity for research and planning to develop the human values course. Its target group has been other academic institutions, with which it has engaged to introduce a human values course.
- IIITH has utilized several different *communication channels* to engage with the “target group” of academic institutions. These institutions were of two different types. The first type comprised a small number of peer institutions, mostly technology institutions. The second category were large numbers of affiliated colleges in two states—Andhra Pradesh and Uttar Pradesh. The communication channels included:

(a) Conferences and seminars in different parts of the country for faculty and academic administrators from other higher education institutions. This mode was used to engage with a small number of invited peer institutions. These institutions deputed a few senior faculty members/academic administrators to represent them. These events had intensive introduction to the IIITH course and 2-way discussions among the participants.

(b) Training workshops for principals of government colleges, which were organized by the department of higher education of the respective states. These training programmes had multiple sessions usually over 7 days. Faculty members from IIITH served as the instructors in these programmes. These

were mainly sensitization workshops intended to encourage college principals introduce human values in the college curriculum.

(c) Online and printed resource materials have been made available. These include the textbook referred to above, as well as a teachers' manual. Online resources include a Value education website: <http://www.universalhumanvalues.info>. In addition, other websites have been set up by partner institutions such as the UP Technical University and IIT Delhi, which contain detailed information and links to video talks. In addition, videorecording of the entire set of training sessions for college principals in A.P. is available on YouTube¹⁰¹.

(d) Back-up support for faculty members from other institutions who are experimenting with human values courses are available through a "Human Values" cell in IIITH. This can be useful because the material as well as the pedagogy may be unfamiliar to many teachers.

- For disseminating the idea of a human values course widely, there should be a *sponsoring agency*, which has the authority and legitimacy to empower the change agency. The sponsoring agency may provide financial and logistical support to the change agency. It should enable a positive institutional environment for the campaign. In this context, the government can serve as a sponsoring agency. However, other bodies such as professional associations and networks of higher education institutions can also serve as sponsoring agencies if they have adequate professional legitimacy and clout. In a country as large as India, the state government's sponsorship can be effective for reaching out to multiple state-supported universities and affiliated colleges. The central government can provide broad policy support. The National Education Policy 2020 has endorsed the following values as part of the aims of education "empathy, respect for others, cleanliness, courtesy, democratic spirit, spirit of service, respect for public property, scientific temper, liberty, responsibility, pluralism, equality, and justice." In the section on Higher Education, the NEP 2020 has recommended including "value-based education". It should inculcate humanistic, ethical, Constitutional and universal values of truth, righteous conduct, peace, love, non-violence, scientific temper, and citizenship.¹⁰²
- A few observations on a recommended strategy for disseminating the course more widely. The human values course itself must be 'sold' to a larger number of implementing higher education institutions. To expand the reach a few other

institutions like IIITH must be identified that can assume a similar catalytic role as the fulcrum change agency in different regions. Designing the course and its adoption by other academic institutions should be the responsibility of these institutions. An independent expert committee can shortlist and recommend a set of institutions to the sponsoring agency. Because of its successful experience, IIITH should be requested to be part of the expert committee, and to guide the selected institutions in their new role as champions. While some flexibility may be there in the design of the courses, care must be exercised to ensure that the courses meet the key criteria of universalism, rationality, naturalness and verifiability, and be relevant to all dimensions of living (e.g., thought, behaviour, work, social relations and attitude to nature), and lead to harmony.¹⁰³ The sponsoring agencies should provide financial support to the implementing institutions to cover at least a portion of their promotional costs.

- Appropriate monitoring and evaluation mechanisms should be set up to assess the impact and make improvements. The ultimate objective of the human values course is to help transform the values, attitudes and behaviour of the students. This impact needs to be understood. Some effects on the students will not be apparent immediately. They may be able to appreciate its worth after a few years of professional life. Therefore, we need to collect not only student feedback immediately after the course ends, but also conduct surveys of alumni after, say, two or three years of graduation. These surveys may be entrusted to external agencies. Apart from this, there should be periodic round table discussions organized by the human values cells in the catalysing institutions where alumni and faculty can exchange views and experiences, which may help improve the content and real-life relevance of the human values course.

Conclusion

This paper proposes a strategy from an Indian perspective to address two major challenges facing humanity today: (a) unhappiness despite increasing material consumption and (b) environmental crisis of existential dimensions. Typically, policy efforts focus on the production side (e.g., by increasing energy efficiency). While these efforts are important, the demand side requires equal attention. Our strategy aims at transforming consumption choice such that well-being can improve without imposing a higher burden on the environment. This approach goes against the grain of prevailing policy thinking. Here, we briefly summarize the key elements.

In Section I we examined the relationship between material consumption and happiness. We surveyed the empirical findings on reported happiness, which show that increasing material consumption does not lead to improved well-being. We highlighted the reasons for this apparent paradox. After their basic needs are met, people do not derive lasting satisfaction from consumption per se. Psychological and social factors linked to consumption become more important, such as relative social status. People also get bored and habituated to current consumption levels, because of which their satisfaction stagnates. This drives them to constantly seek more consumption ("hedonic treadmill"). We also discussed alternative sources of well-being that are not rooted in materialist self-seeking, such as altruism and solidarity, that are more prevalent in contemporary market societies than is usually recognized, and which market reformers ignore.

In Section II we presented our strategic approach. It has two components: a macro-level strategy and a micro-level strategy. Our main focus is on the latter, which concerns transforming the consumption attitudes and choices of individuals and households. The goal of the macro-level strategy is to create a supportive policy and socio-economic environment for individual behaviour change to take place. Without alignment between the two, the micro-strategy would face headwinds. We sketch the elements of our preferred macro-strategy, which calls for a major reorientation of our development policies. We recommend de-emphasizing the growth rate and prioritizing social objectives and human development goals. We also recommend modifying the growth model by allocating greater resources to 'green' investment projects and enabling consumption to adjust to less environmentally-costly alternatives. This should not require the growth rate and employment to shrink. On the institutional front, we recommend a rebalancing of the roles of the state, market and community in the governance framework. This allows more prominent roles for industrial policy and local participatory governance. As part of this, it is also necessary to enable evidence-based policy making. This involves wide public access to data, regular collection via credible socio-economic surveys and their dissemination, autonomy of research institutions and respect for professional expertise. Implementing these recommendations would involve major transformations of policy and governance and this requires extensive economic and political debates. However, these ideas and the underlying crises urgently deserve to be on the political agenda of major political parties.

The changes in economic behaviour that we propose should be voluntary not coerced. For this the consumer needs to be better informed and engaged with. However, there may be some consumers with a non-cooperative mindset. For them, persuasion may need to be buttressed by the use of incentives, disincentives and regulation. The objectives of our micro-

strategy are (a) to reorient the individual's attitude to consumption; (b) to promote motivation for participating in collective goals; (c) to facilitate the transition to sustainable consumption. In order to achieve these, we suggest that consumers are provided better information about products concerning their environmental and social impacts. The active role of government is required especially for ensuring that the poor do not bear an inordinate share of the adjustment to sustainability targets. We recommend that government policymakers set evidence-based targets for both the upper and lower limits of consumption. To do this rigorously, they should use scientific procedures such as the one developed by Rao and Min, which measures the natural resource burdens (in terms of energy, water, etc.) of consumption baskets that ensure both physical and social well-being. These baskets include both private and public consumption and can be delivered at the national, community and local level. The rich will have to be persuaded to remain within the upper limit.

In Section III we discuss how the strategy can be made operational in India. Our goal here is to transform consumer attitudes. Since the Indian consumers are not a homogeneous group, they need to be segmented for specific campaigns. From a review of recent trends in Indian consumer attitudes, we note the following features: (a) significant heterogeneity in consumer tastes, even among the rich and middle-class "consuming class"; the significant proportion of young consumers; and (c) the rampant drift towards materialism. We identify the main elements of our micro-strategy as follows: (i) To enable citizens to understand what material goods they truly need, and to realize that the exclusive pursuit of material consumption and accumulation will not ensure lasting life satisfaction; (ii) To moderate self-seeking attitudes and promote collective values that support eudaemonic well-being and sustainable consumption. These include the desire for ecologically responsible behaviour, the desire to support the local community, the desire to maintain a spiritual life, and to consume mindfully. If these values take root, individuals can free themselves from the addictive drive to consume and access a more deep-rooted eudaemonic well-being. These changes involve transforming deeply held beliefs and habits, as well as prevailing norms. Education is an important means to encourage the transition.

At a more mundane and immediate level, sustainable consumption requires changing buyer behaviour in favour of products that support the environment through, say energy efficiency. General awareness and acceptance of social need is necessary but not sufficient. Here, potential consumers need to be informed, engaged with, persuaded and enabled. Section IV is devoted to implementation of the changes that we have proposed. We have recommended the social marketing approach to promote ideas and products that are desirable from a social point of view. We have explained the key ingredients of the approach and the institutional

framework necessary for implementation. To illustrate, we have presented two case studies with very different content. The first is the Solarise Delhi initiative to motivate consumers to install residential PV systems on their rooftops. The second case is the initiative in the IIITH to introduce Human Values Education in their curriculum. We assessed their functioning from a social marketing perspective and discussed how they may be adapted for wider application.

In this paper, we have tried to suggest policies to address two very complex and urgent contemporary challenges confronting the world. Though both these problems have important economic aspects, we argue that a broad-based, unconventional multi-disciplinary approach is necessary. These include drawing on insights gained from behavioural and positive psychology, Eastern and Western philosophy, as well as from the social marketing discipline. We have called for several fundamental realignments: (a) in our values and attitudes towards consumption, (b) in our overall development strategy, (c) in the design of our economic governance institutions in favour of consultative and participatory policymaking, (d) the application of social marketing principles in promoting sustainable behaviour; and (e) foregrounding human values in higher education programmes.

The paper has dealt with a number of large and important themes very briefly and these require further elaboration. This task is attempted in our ongoing research. We are aware of several of its limitations from a practical policy standpoint, e.g., neglect of the production and supply side, and our exclusive focus on individual consumption thereby neglecting collective consumption. We have also refrained from proposing a roadmap that prioritizes interventions sequentially. Our purpose in this paper is to stimulate public deliberations on these issues.

¹ I thank Professors Amit Bhaduri, Ramacharla Pradeep Kumar, Abhijit Mitra, Manu Mathai, Robert G. Williams and M.J. Xavier for valuable comments. This paper has benefited from comments received from colleagues in the Faculty Research Colloquium Series, School of Liberal Studies, BML Munjal University on 13 September 2023. I thank in particular Arindam Banerjee, Soumyajit Bhar, Kalpita Bhar, Ashwani Saith, and Robert Williams for detailed suggestions. A version of the paper was also presented in the Global Conclave 2024 on "Advancing Human Development in the Global South", organized by the Institute of Human Development, New Delhi on January 11, 2024. Views expressed here and responsibility for errors are mine.

² Economic output-enhancing policy is also motivated by other considerations—such as employment, income generation, and security. There are groups, political and economic interests that push for these policies, and these are far more influential than consumer interests in the framing of policy. Nevertheless, the ultimate social rationale and ideological basis for these policies are that they increase material well-being.

³ R. Layard, *Happiness—Lessons from a New Science*, Penguin Books, 2011 provides a good summary of the main ideas and methods and sources utilized in this body of research. The sources of data for subjective information on well-being include the World Values Survey and the General Social Survey (for USA).

⁴ Policy concern about the capacity of consumption to generate happiness has led to the creation of the Gross National Happiness Index. The index was pioneered by Bhutan and has drawn global attention. The index includes, beside living standard, indicators of psychological well-being, community vitality, ecological diversity and resilience, health, education among others. See "Bhutan's Gross National Happiness Index", Oxford Poverty and Human Development Initiative, <https://ophi.org.uk/policy/gross-national-happiness-index/>

⁵ *The World Happiness Report* is published annually by the Sustainable Development Network and is supported by the United Nations, as well as several other partner institutions. It utilizes data from the Gallup World Poll.

⁶ World Happiness Report 2012 (Chapter 1).

⁷ A recent detailed report in the *New York Times* (October 4, 2022) presents an alarming assessment of the change in the pattern of the Monsoons. Citing several Indian and international Meteorological experts on the monsoon, it points out that these are becoming increasingly erratic, extreme, and unpredictable with potentially dire consequences in both rural and urban areas. The article also reports from the ground level on the difficulties that farmers are facing.

⁸ "Extreme heat...", *Business Standard*, Bengaluru, 21 October 2022, p. 4. See the summary report at <https://www.climate-transparency.org/>

⁹ See Reserve Bank of India *Handbook of Statistics on the Indian Economy*, 2021-22; Table 2; <https://rbi.org.in/Scripts/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

We should note that the economic performance in this period has been seriously affected by the Covid 19 pandemic since 2020. India's long term average annual growth rate during 1997-2022 has been 6 percent. https://www.business-standard.com/article/economy-policy/can-india-s-gdp-grow-7-annually-over-25-yrs-data-suggests-it-s-tough-122083100400_1.html#:~:text=India's%20GDP%20grew%20at%20an,its%20economy%20in%201991%20D92.

¹⁰ See: <https://public.wmo.int/en/media/press-release/eight-warmest-years-record-witness-upsurge-climate-change-impacts>

¹¹ See <https://worldpopulationreview.com/country-rankings/ecological-footprint-by-country>.

¹² See the very recent statement of the UN Secretary General before the COP 27 High level meeting. <https://www.un.org/sg/en/content/sg/statement/2022-11-07/secretary-generals-remarks-high-level-opening-of-cop27-delivered-scroll-down-for-all-english-version>

¹³ Arunabha Ghosh, "Can India Become a Green Superpower?" *Foreign Affairs*, July/August 2023. The article assesses India's efforts at carbon reduction in energy and the challenges ahead. The emphasis is on the production side.

¹⁴ Janet Salem, Manfred Lenzen and Yasuhiko Hotta, "Are we missing the Opportunity of Low-Carbon Lifestyles?", *Sustainability*, Vol. 13, Issue 22, 2021, 12760

¹⁵ Government of India, Ministry of Environment, Forest and Climate Change, and NITI Aayog, "LiFE", https://www.niti.gov.in/sites/default/files/2022-04/Brochure_LiFE_vf_with_Cropmarks_19042022.pdf

¹⁶ The recent Union Budget announced by the Government for 2023-24 has allocated substantial funds for "green growth". Among them are a "Green Hydrogen Mission", and an "Energy Transition Fund" to support adoption of renewable energy sources. Nevertheless, the highest allocations are for additional transport infrastructure projects including highways, airports, and ports. Most of these would stimulate use of vehicles that would use conventional fossil fuel in the short and medium term.

¹⁷ This is the opposite of what happens at present. Producers reshape consumer preferences via often aggressive advertising and marketing. The behaviour is governed by cost and profit considerations. Capitalist entrepreneurs will only adapt only if the incentive environment changes significantly.

¹⁸ I am indebted to Soumyajit Bhar for bringing this point to my attention. (Personal communication)

¹⁹ We are for simplicity excluding market failure resulting from externalities, where one individual's gain affects another's., e.g., pollution.

²⁰ This provides the economic welfare-basis of economic motivation. This is of course one side of the story. The production side involves a different set of motivating factors for pursuit of economic growth. This is the drive for capital accumulation. Karl Marx emphasised the centrality of accumulation in the dynamics of capitalist systems. However, socialist systems also pursue economic growth under state auspices.

²¹ Inter-country comparisons of the percentage of "happy" and "satisfied" people suggest that as this magnitude increases with per capita income. Hence, for countries with large numbers of people who are poor, economic growth is important. R. Layard, *Happiness—Lessons from a New Science*, Penguin Books, 2011 (Chapter 3)

²² Tibor Scitovsky, *The Joyless Economy—An Inquiry into Human Satisfaction and Consumer Dissatisfaction*, Oxford University Press, 1976

²³ Most subsequent major surveys of well-being have asked very similar questions to study how people rate the happiness level that they have experienced.

²⁴ R.A. Easterlin, "Does Economic Growth Improve the Human Lot? Some Empirical Evidence", in Paul A. David; Melvin W. Reder (eds.), *Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz*, Academic Press, Inc., 1974

²⁵ See Daniel Kahneman and Alan B. Krueger, "Developments in the Measurement of Subjective Well-being", *Journal of Economic Perspectives*, Vol. 20, No. 1, 2006. The authors cite Easterlin's study and discuss the Gallup Organization's China study. See Figure 4. See, R.A. Easterlin, "Will Raising the Income of All Increase the Happiness of All?", *Journal of Economic Behaviour and Organization*, Vol. 27, No. 1, 1995, pp. 35-48

²⁶ Kahneman, a psychologist, is one of the founders of behavioural economics and a received the Nobel prize in economic science in 2002.

²⁷ Kahneman and Krueger

²⁸ Economists have been aware of this phenomenon for a long time. Several authors have noted the motivation of "keeping up with the Joneses" in consumer behaviour. The idea was a key element of T. Veblen's (*The Theory of the Leisure Class*, published in 1924) where he discussed the idea of "conspicuous consumption. See also R. Frank, *Choosing the Right Pond—Human Behaviour and the Quest for Status*, Oxford University Press, 1985. The surveys mentioned in the text provide empirical support for the concept.

However, these ideas have not occupied centre stage in economic theory and policymaking.

²⁹ The relationship between work and happiness has been discussed by many authors cited above, including Scitovsky and Layard. See also *World Happiness Report 2017* (Chapter 6), "Happiness at Work". <https://worldhappiness.report/ed/2017/>

³⁰ P. Brickman and D.T. Campbell, "Hedonic relativism and planning the good society", in M.H Appley ed., *Adaptation Level Theory—A Symposium*, Academic Press, 1971. The idea has generated a large literature.

³¹ R. A. Easterlin, "Income and Happiness—Towards a Unified Theory", *The Economic Journal*, Vol. 111, No. 473, 2021, pp. 465-484

³² Layard (2011), Chapter 4, cites Gallup surveys done in the USA over several decades.

³³ The payoff to each player depends on what the other chooses, but they each must decide without knowing the choice of the other player. If they both 'cooperate' they will both benefit. However, if one player does not cooperate (i.e., is self-seeking) he/she will benefit more, and the other player will suffer a loss.

³⁴ Gita Sen, "The Role of Solidarity in Institutions of Governance", in Bjorn Hettne ed. *Human Values and Global Governance*, Palgrave Macmillan, 2008. Sen cites Fehr and Fischbacher (2001) and Bowles (2005).

³⁵ Akio Morita, *Made in Japan*, Signet Books, 1988, Chapter on "Technology—Survival Exercise"

³⁶ Michio Morishima, *Why Has Japan 'Succeeded'? Western Technology and the Japanese Ethos*, Cambridge University Press, 1982.

³⁷ Based on sociological assessment, the authors assumed that British culture emphasizes "affective autonomy", (i.e., pursuit of pleasurable, exciting activities) and "mastery" (self-assertion, aggression), whereas the Brazilian cultural values emphasize "harmony" and "social embeddedness". The study found that concern for the environment and "pro-environmental behaviours" are more common in Brazil where ego-centric, assertive attitudes are less prevalent. Thus, the *cultural propensity to adopt "green" consumption practices varies across cultures*, and hence the specific cultural context must be kept in mind when designing a consumption strategy. See Lorraine Whitmarsh, Stuart Capstick and Nicholas Nash, "Who is reducing their material consumption and why? A cross-cultural analysis of dematerialisation behaviours" *Philosophical Transactions A*, February 2017.

³⁸ The government has launched a series of steps for promoting electric mobility. See Niti Aayog on the national level policy e-AMRIT (Accelerated Mobility Revolution for India's Transformation) <https://e-amrit.niti.gov.in/national-level-policy>. On the private production side, for example, Ola Electric has launched an ambitious programme to manufacture electric vehicles. See https://www.business-standard.com/article/companies/ola-electric-lays-out-vision-plans-to-launch-motorcycles-suvs-robotaxis-122071301530_1.html. See also Arunabha Ghosh, cited in endnote 13.

³⁹ R. Layard, *Happiness*, "So what makes us happy?" (Chapter 5)

⁴⁰ They include the inability to provide adequate employment opportunities (including the fall in the employment rate), persistent inequality in consumption and child malnutrition, increasing inequality in wealth and income, weak performance in health and education indicators, unliveable living conditions for 40 percent of the urban population, crisis of livelihood in rural areas, and continuing gender disparity.

⁴¹ *World Happiness Report, 2023*, Fig 2.1, p 36; [WHR+23.pdf \(happiness-report.s3.amazonaws.com\)](https://www.worldeconomicforum.org/docs/WEF_GGGR_2022.pdf)

⁴² Reporters Without Borders, *World Press Freedom Index 2023*, <https://rsf.org/en/index>

⁴³ World Economic Forum, *Global Gender Gap Report 2022*,

https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

⁴⁴ <https://www.unicef.org/india/what-we-do/climate-change>

⁴⁵ Soumyajit Bhar, Sarachchandra Lele, Jihoon Min and Narasimha D. Rao, "Water, Air and Carbon Footprints of Conspicuous/Luxury Consumption in India" *Ecological Economics*, Vol. 218, 2024, 108104

⁴⁶ For an interesting contribution to the discussion on an alternative strategy, see Sanjay Kaul, *An Alternative Development Agenda for India*, Routledge, 2023. Our own suggestions are consonant with Kaul's "people first" policy recommendations.

⁴⁷ Amartya Sen, *Development as Freedom*, Alfred A. Knopf, 1999; Jean Dreze and Amartya Sen, *An Uncertain Glory—India and Its Contradictions*, Penguin-Allen Lane, 2013; Martha C. Nussbaum, "Capabilities as Fundamental Entitlements—Sen and Social Justice", *Feminist Economics*, Vol. 9, Issue 2-3, 2003, pp. 33-59 <https://philpapers.org/archive/NUSCAF.pdf>

⁴⁸ The need to rein in growth has been a major theme in the sustainability literature since the 1970s. It was ignored by mainstream policymakers. However, with increasing evidence of material 'limits to growth', the debate has rekindled. For a review of the recent literature, see Julien-Francois Gerber and Rajeswari S. Raina, "Introduction", *Post-Growth Thinking in India—Towards Sustainable Egalitarian Alternatives*, edited by Gerber and Raina, Orient BlackSwan, 2018. They classify post-growth thinking into the following strands—'agrowth'; 'steady-state economics'; 'post-extractivism'; 'alternative community-based 'good lives'; and 'de-growth'. Our approach in this paper is similar to 'agrowth'. We support the idea that some sectors (representing 'green growth') should grow and others (i.e., those that are environmentally damaging) need to shrink. For a view similar to ours, See Kanchan Chopra's contribution in this book, "Articulating Green Growth and Degrowth" (Chapter 10)

⁴⁹ In fact, India needs to spend US \$214 billion annually between now and 2070 to meet its own green energy target. At present, merely \$13 to \$14 billion is being spent on renewable energy. Ghosh, op. cit. p. 148.

⁵⁰ In the next section, we discuss how this can be implemented in practice using an evidence-based approach that utilizes measures of environmental burden of key activities. (Section II.B.3)

⁵¹ These include environmental degradation, inadequate competition and concentration of corporate power, increasing inequality of income and wealth, and weak performance in the social sectors. Many failures that we observe in India maybe traced to institutional weaknesses.

⁵² Peter A. Hall and David Soskice ed, *Varieties of Capitalism*, Oxford University Press, 2001. See the Introduction, <https://scholar.harvard.edu/files/hall/files/vofcintro.pdf>

⁵³ Matthias Gobel, Veronica Bennet-Martinez, Batja Mesquita and Ayse K. Uskul, "Europe's Culture(s): Negotiating Cultural Meanings, Values, and Identities in the European Context", *Journal of Cross Cultural Psychology*, July 2018. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6024379/>

⁵⁴ A comparable problem is that of collective air 'pollution' that severely affects the National Capital Region. Among the important contributory causes is the burning of stubble by farmers. See <https://economictimes.indiatimes.com/news/india/stubble-burning-a-major-cause-of-delhi-air-pollution-a-solvable-problem/printarticle/105373412.cms>

⁵⁵ An example of this is the "Solarise Delhi" pilot initiative discussed as a case study in Section IV.

⁵⁶ The core features of eudemonic well-being are positive emotions, engagement, interest, meaning and purpose. Additional features are self-esteem, optimism, resilience, vitality, self-determination, and positive relationships. See A. Adler et al, *Happiness—Transforming the Development Landscape*, Centre for Bhutan Studies and GNH 2017, [\(PDF\) Psychological Wellbeing \(researchgate.net\)](https://www.researchgate.net/publication/226100566_Mindful_Consumption_A_Customer-Centric_Approach_to_Sustainability)

⁵⁷ Swami Muktananda, *Where Are You Going? A Guide to the Spiritual Journey*, Gurudev Siddha Peeth, Ganeshpuri, India, 1981. See "The Pursuit of Happiness", pp. 9-15

⁵⁸ Jagdish N. Sheth, Nirmal Sethia and Shanthi Srinivas, "Mindful Consumption: A Customer-Centric Approach to Sustainability", *Journal of the Academy of Marketing Science*, Vol. 39, No. 1, 2011, pp. 21-39 https://www.researchgate.net/publication/226100566_Mindful_Consumption_A_Customer-Centric_Approach_to_Sustainability

⁵⁹ Ashok Sanjay Guha gives an illustrative story of a commodity in the globalized economy. A simple bar of chocolate might traverse an interesting route before reaching the final consumer in Delhi. It contains cocoa grown on a farm in Ghana that is processed in Accra, sugar that is from cane grown in Mauritius, and milk from cows in a dairy in Holland. It is made in and packed in Belgium, shipped to Mumbai on a Greek ship with an Indian crew. A Marathi dock worker in Mumbai transfers it to truck driven by a Sikh driver to a warehouse of a Marwari wholesaler in Delhi. From there it is taken by a Haryanvi salesman to a retailer and finally reaches the consumer. The latter is utterly oblivious of the social connectedness underlying her chocolate. A.S. Guha, *Economics Without Tears*, Penguin Random House, 2016, p. 4.

⁶⁰ Sabrina Helm and Brintha Subramaniam (2019), "Exploring Socio-Cognitive Mindfulness in the Context of Sustainable Consumption", *Sustainability*, July 2019;

[file:///C:/Users/chira/Downloads/Exploring Socio-Cognitive Mindfulness in the Conte.pdf](file:///C:/Users/chira/Downloads/Exploring_Socio-Cognitive_Mindfulness_in_the_Conte.pdf)

⁶¹ Unfortunately, in recent times the misuse of social media platforms globally by vested interests, as well as the commercialization of scientific research have degraded the status of professional expertise. For an account of this process in the USA, see Tom Nichols, *The Death of Expertise—the Campaign against Established Knowledge and Why It Matters*, Oxford University Press, USA, 2017

⁶² Richins, M. L., & Dawson, S. "A consumer values orientation for materialism and its measurement: Scale development and validation", *Journal of Consumer Research*, Vol. 19, Issue 3, pp. 303-316

<https://doi.org/10.1086/209304>; Kashdan, T. B., & Breen, W. E. (2007). Materialism and diminished well-being: Experiential avoidance as a mediating mechanism. *Journal of Social and Clinical Psychology*, Vol. 25, No. 5, pp. 521–539. <https://doi.org/10.1521/jscp.2007.26.5.521>

⁶³ See Robert H. Lustig, *The Hacking of the American Mind—the Science behind the Corporate Takeover of Our Bodies and Brains*, Penguin, New York, 2017. This is a popular book written by a doctor about America that argues that Big Business has used the science of addiction to keep consumers hooked.

⁶⁴ Sylvia Lorek, "Sustainable Consumption",

<http://faculty.washington.edu/rturner1/Sustainability/Bibliography/docs/Lorek.pdf>

⁶⁵ Soumyajit Bhar, Sarachchandra Lele, Jihoon Min and Narasimha D. Rao, "Water, Air and Carbon Footprints of Conspicuous/Luxury Consumption in India" *Ecological Economics*, 218 (2024), 108104.

⁶⁶ Indirect footprints are calculated using the input-output tables so that the environmental footprints of the inputs used in producing a particular commodity are included.

⁶⁷ Sukhamoy Chakravarty, *Development Planning—the Indian Experience*, Clarendon Press, Oxford, 1987 (See Chapter 3)

⁶⁸ Narasimha D. Rao & Jihoon Min, "Decent Living Standards: Material Prerequisites for Human Wellbeing," *Social Indicators Research: An International and Interdisciplinary Journal for Quality-of-Life Measurement*, Vol. 138, No. 1, 2018, pp. 225-244

⁶⁹ Ajit Niranjana, "How can we stop the super-rich from polluting the planet?", DW, January 2, 2023. <https://www.dw.com/en/rich-people-billionaires-emissions/a-64146449>

⁷⁰ Rama Bijapurkar, *A Never-Before World—Tracking the Evolution of Consumer India*, Penguin Random House India, p. 99, Table 1.

⁷¹ Sudipto Mundle, "India at 70—How Are We Doing?"; *Mint*, 18 August 2017

<https://www.livemint.com/Opinion/lhekJbnjhavFGD4FUIInTlN/India-at-70-how-are-we-doing.html>

⁷² <https://www.undp.org/india/global-multidimensional-poverty-index-2022>

⁷³ We have indicated above in Section II (c) how this may be done. Government action would be needed to ensure a 'decent standard of living.'

⁷⁴ McKinsey Global Institute, "Next Big Spenders—India's Middle Class", May 19, 2007. The article classifies the Indian consumers into the following groups—the deprived, the aspirers, the seekers, the strivers, and the global Indians. The seekers and strivers together constitute the middle-class and it is rapidly increasing in numbers. <https://www.mckinsey.com/mgi/overview/in-the-news/next-big-spenders-indian-middle-class>

⁷⁵ Rama Bijapurkar, op. cit.

⁷⁶ See Susan Michie, Maartje van Stalen & Robert West, "The Behaviour Change Wheel: A new method for characterising and designing behaviour change modifications", *Implementation Science*, Vol. 6, Article 42, 2011

⁷⁷ See Whitmarsh et.al. cited in note 32

⁷⁸ This can be done in various ways. One mechanism is independently conducted labelling of products to indicate their environmental cost in terms of GHG emissions.

⁷⁹ Scitovsky, op. cit. (Chapters 6 and 11)

⁸⁰ Sylvia Lorek, op. cit. uses the term "co-production" to recommend active communication between consumers and producers to develop sustainable products.

⁸¹ See Katie Williamson, Aven Satre-Meloy, Katies Velasco and Kevin Green, "Climate Change Needs Behavior Change—Making the Case for Behavioural Solutions to Reduce Global Warming", Center for Behavior and the Environment, Rare. Available online at rare.org/center, 2018, pp 33-38.

There are several theories that provide insights on human behaviour and how it can be influenced. It is generally recognized that 'rational choice theory' which provides the logic of neoclassical economic policy tools of tax and subsidy instruments are inadequate for bringing about lasting change in behaviour. Observed human behaviour often does not conform to the economic model of rationality. Contemporary behaviour science has proposed alternative explanations. Kahneman and Tversky's 'prospect theory' states that human decision making follows two distinct processes—'fast' and 'slow'. Some decisions (system 1) are made in a fast, automatic, intuitive, and emotional mode. In this mode, the individual does not make optimising rational calculations to determine the course of action. On the other hand, some behaviour choices are governed by the system 2 process. This involves deliberative and analytical determination of the course of action. Both types of decisions are made without perfect knowledge and the individual adapts by learning from the environment, which go into the formation of values, beliefs and social norms that are embedded in routines and habits. This suggests that efforts to modify behaviour must go beyond modifying the external choice options via incentives, disincentives, and restrictions. Several instruments have been proposed. These include the so-called 'nudge' (Thaler and Sunstein) which uses the system 1 choice mode by placing desirable choice options in the foreground of attention. This may work in some relatively superficial contexts. To bring about more radical behaviour change, system 2 mode of decision making must be strengthened ('boost'). This should be done by building the competence, autonomy, skills, and knowledge of individuals so that they can make better choices. In other words, the intrinsic capability of individuals for decision-making should be strengthened (Deci and Ryan). Education can play a major role in transforming and enhancing the decision-making capacity of individuals. This can bring about lasting attitude change by building understanding of the issues at hand.

⁸² Robert Cialdini, Karl A. Kallgren and Raymond R. Reno, "A Focus Theory of Normative Conduct: A Theoretical Refinement and Re-evaluation of the Role of Norms in Human Behavior", *Advances in Experimental Social Psychology*, Vol. 24, 1991, pp. 201-234

⁸³ See Michie et.al cited in endnote 56.

⁸⁴ Here skills refer to the individual's capability to comprehend the messages being communicated, and his/her physical ability to act accordingly. People's intention or motivation depends on their reflection and reasoned assessment of what needs to be done. These involve their setting goals and logical decision making. Individuals' behaviour also depends on automatic habitual processes and emotional responses, for which norms must be addressed.

⁸⁵ See the classic paper by Philip Kotler and Gerald Zaltman, "Social Marketing—An Approach to Planned Social Change", *Journal of Marketing*, Vol. 35, Issue 3, 1971, pp. 3-12

⁸⁶ Nancy R. Lee, Michael L. Rothschild, and Bill Smith, 2011, quoted in Nancy R. Lee and Philip Kotler, *Social Marketing—Influencing Behaviors for Good*, Sage Publications, 2011, Box 1.1, p 7

⁸⁷ Kotler and Zaltman, op. cit., p.5.

⁸⁸ Kotler and Zaltman, op. cit. p. 6. They draw on an early 1951 paper by G.D. Wiebe on "merchandising commodities and citizenship on television".

⁸⁹ For promoting sustainable consumption, Sheth et al (2011) propose segmenting the target group into 4 categories—(a) individuals with a 'caring mindset' who consume excessively (b) individuals with a 'caring mindset' who consume temperately; (c) individuals with a 'non-caring mindset' who consume excessively; and (d) individuals with a 'non-caring mindset' who consume temperately. For each of these categories, they recommend emphasising the following interventions respectively—(a) incentives and disincentives; (b) reinforcement; (c) mandates and limits; and (d) education.

⁹⁰ Our discussion of consumption trends in the above sub-section provides this analysis of the socio-economic context.

⁹¹ Sharad Gupta and Harsh V. Mehta, "Mindfulness, Mindful Consumption and Life Satisfaction—An Experiment with Higher Education Students", *Journal of Applied Research in Higher Education (JARHE)*, Vol. 12, Issue 3, pp. 456-474.

<https://doi.org/10.1108/JARHE-11-2018-0235>.

⁹² Akash Som Gupta, Bhawna Tiwari, Neeraj Kulkarni & Selna Saji, "Unlocking Demand for Residential Rooftop Solar in India", Report, Council on Energy, Environment and Water (CEEW), April 2022.

⁹³ Amala Devi, Uttara Narayan & Tirthankar Mandal, "Here Comes the Sun: Residential Consumers' Experiences with Rooftop Solar PV in Five Indian Cities" WRI India, Working Paper. Available at: <http://www.wri.org/publication/here-comes-the-sun>

⁹⁴ Technical and economic information regarding the RTS installations is not given in the CEEW report.

⁹⁵ The WeeGreen designed website was a key element of the campaign. It provides comprehensive information about roof top solar, includes testimonials from rooftop solar owners, details about upcoming campaign events, recordings of past events and avenues to sign up for a rooftop site evaluation.

⁹⁶ Ramancharla Pradeep Kumar, Rajeev Sangal, Abhijit Mitra, Navjyoti Singh and Kamalakara Karlapalem, "An Experiment on Introducing Human Values Course in Undergraduate Curriculum of Engineering", International Institute of Information Technology Hyderabad, March 25, 2009. Available at <http://cdn.iiit.ac.in/cdn/uhv.iiit.ac.in/images/hvaluesinacademics.pdf>.

I have also benefited from discussions with Profs. Ramancharla Pradeep Kumar and Abhijit Mitra, who were both core members of the human values course faculty team in IIITH.

⁹⁷ Chiranjib Sen, "Academic ethics in Indian higher education in the era of markets—Selected issues", *Higher Education and Professional Ethics*, edited by Satya Sundar Sethy, Routledge, 2018.

⁹⁸ The only lectures in the course were in an initial intensive workshop "Jeevan Vidya", which set out the broad framework.

⁹⁹ R. R. Gaur, R Sangal & G P Bagaria, *A Foundation Course in Human Values and Professional Ethics*, Excel Books, 2010

¹⁰⁰ Shri A. Nagraj (of Amarkantak, Madhya Pradesh) has propounded a philosophy known as "Madhyasth Darshan". Its core message is co-existential harmony, which can be realized through "human-centric contemplation". The approach is described as "an alternative to materialism and theism/spiritualism", which seeks to explore "the nature of consciousness, reality and human purpose leading to an undivided human society and balance in nature". See <https://madhyasth-darshan.info/>

¹⁰¹ These were led by Prof. Ramancharla Pradeep Kumar of IIITH.

<https://www.youtube.com/playlist?list=PLyVhmjhvTvDYR2K4FgFYuK2gfUibZG8YA>

¹⁰² National Education Policy 2020, Government of India, pp. 6 and 38.

https://www.education.gov.in/sites/upload_files/mhrd/files/NEP_Final_English_0.pdf

¹⁰³ See R. R. Gaur et al, op cit. which sets out the "broad guidelines on what would qualify as an appropriate input for value education", p. 7



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