ABSTRACT

One of the most insightful challenges for a nation is transforming its conventional economic system into a sustainable mechanism. Consumption issue is of central concern for an economy. With a reference to economic disparity, there are large numbers of consumers that are surviving at the base of the economic pyramid. They are subsistence consumers who struggle to accomplish their basic needs. While, there are few who spend to demonstrate their affluence. It is imperative for an economy to better respond to social equity and environmental needs along with prosperity to ascertain sustainability.

The paper stresses upon the need of conscious moderation of materialistic lifestyles to visualize sustainable development. It highlights that the resources spent on improving one’s status are wasteful from societal point of view, as one person’s gain is another person’s loss. The acquisition of material goods doesn’t bring about happiness and well-being. Thus, people need to make a check on their purchasing habits and look out for consuming only those products and services that are healthy for the society, economy and environment.

Keywords: Conspicuous Consumption; Conscious Consumption; Sustainable Development

INTRODUCTION

Consumer–producer relationship has been considered as an exchange relationship where both parties interact for self interests. Considering the game of exchange, producers strive to maximize their profit by selling products and services; conversely, consumers try to augment their level of satisfaction by using those goods and services. The result is competition among independently acting buyers and sellers of each product.

Consumer’s choice plays a leading role in orienting production. The purchases that an individual makes are indeed the result of his decisions which are, usually, directed by his need and desires, and simultaneously, reflect his social status. In the signaling game we call life, when deciding upon a course of action; we consider not only the direct effects of our choice on our welfare, but also the indirect (or social) effects resulting from society observing our choice. Balancing these two effects, we may choose actions that are suboptimal in their direct effects, but, considering their value as a signal, are overall optimal (for the decision-making individual) (Ori Heffetz, 2004). Therefore, people consume a variety of products and move beyond basic needs by including luxury items, and then consumption, beyond minimal and basic needs, leaves certain impacts upon individuals, society and environment.

Population growth and economic development are driving consumption around the world and will continue to do so as billions of consumers – especially in China, India and other emerging economies.
– add to the demand for goods and services (WBCSD, 2008). The 12 percent of the world’s population that lives in North America and Western Europe accounts for 60 percent of private consumption spending, while the one-third living in South Asia and sub-Saharan Africa accounts for only 3.2 percent. 2.8 billion People on the planet struggle to survive on less than $2 a day. The consumer class thrives; great disparities still remain (Worldwatch, 2013).

The market pressure created by competitive spending and conspicuous consumption turn the affluence of some into the exclusion of many (WBCSD, 2008). We are paying price for this unrestrained consumption though we do not realize it. Ignoring the large segment of society, companies are focusing to produce goods and services for the minority of population i.e. compromising with the basic needs of people; resources (limited) are sometimes directed to luxury items.

**OBJECTIVES**

1. To highlight the significance of consumption in establishing sustainable economic system.
2. To emphasize the need of behavioural transformation for sustainable development.
3. To propose a conscious consumption approach for sustainable development

**Economic System and Sustainability**

Production, Distribution and Consumption are the three prominent constituents of an economic system. Consumption generates demand and is driven by consumers’ commitments, production then takes the form to create supply and hence, it is driven by producers’ actions. The distribution is influenced by the policy framework or rules of the game. Thus, producers, consumers and policy makers (government) are the three influential drivers that enable smooth and effective functioning of an economic system.

A nation which is economically viable, environmentally sound and socially responsible can be stated as Sustainable. Therefore, sustainability depends on the decision making power of its drivers. The emphasis of sustainable production is on the supply side of the equation, and it focuses upon improving environmental performance in key economic sectors, such as agriculture, energy, industry, tourism and transport. Sustainable consumption addresses the demand side, looking at how the goods and services, required to meet basic needs and improve quality of life - such as food and health, shelter, clothing, leisure and mobility - can be delivered in ways that reduce the burden on the Earth’s carrying capacity (Nick Robins and Sarah Roberts, 1997). Distribution is the linkage between production and consumption which ensures social equity in a nation.

Patterns of consumption and production are not sustainable in developed or developing countries (Edgar Hertwich, 2003). World population will increase to an estimated 9.2 billion people in 2050 (United Nations, 2011) which will lead to dramatic environmental and social problems in the system. While agricultural productivity increase has been slowing down over the last decades; Earth does not have the capacity to support expected rates of consumption. Simultaneously, if urbanization is continued at an accelerated pace, levels of income will be many multiples of what they are now. It will raise the level of consumption (considering consumption as the positive function of income) without any drastic change in the level of production.

Economists usually focus on the supply side of the growth and ignore the demand aspect. They directly correlate production and growth, and ignore that growth in production also involves social and ecological costs. Decoupling economic growth and expansion in production needs to be addressed. A sustainable system makes use of resources in order to meet basic needs and maintain balance between supply and demand. Our demands have to be met, but they need to be controlled if we aspire to ascertain a balanced and sustainable economic system.
Consumption And Sustainable Economic System

Production is market driven and is fundamentally affected by consumption. Consumption is normally the largest GDP component. Many people judge the economic performance of their country mainly in terms of consumption level and dynamics. But, consumption is far more than a simple economic action: it has socio-cultural and psychological implications. It is important to us, not just for its functional uses, but it plays vital symbolic roles in our lives. This symbolic role of consumer goods facilitates a range of complex, deeply engrained ‘social conversations’ about status, identity, social cohesion, group norms and the pursuit of personal and cultural meaning (Jackson, T., 2005).

A sustainable style of life and consumption is also connected to the quest for a better life. …conserving ecosystem and reducing inequity as intimately tied up with decisions about consumptions (Mark A. Burch, 2014). Therefore, the plea to the people of rich countries to reduce their standard of consumption due to social and ecological reasons does not necessarily result in painful renunciation. It is rather a chance to gain a certain life-quality, as standard of life is not the same as quality of life. Consumption needs to be understood more holistically as a process.

Conspicuous Consumption

The conspicuous consumption of limited resources has yet to be accepted widely as a spiritual error or even bad manners”

— Barbara Kingsolver

Conspicuous consumption is a term introduced by the Norwegian-American economist and sociologist Thorstein Veblen in his book The Theory of the Leisure Class published in 1899. The term refers to consumers who buy expensive items to advertise their wealth and social status rather than to meet real needs of life. Conspicuous consumption of luxury goods provides the consumer with satisfaction from others’ reactions to the wealth displayed rather than from the value of the product itself (Jacqueline K. Eastman and Kevin L. Eastman, 2011 from Mason, 2001).

Conspicuous consumption is the outcome of an unequal society. Once a country reaches a reasonable standard of living, consumption goes increasingly on status symbols with no intrinsic value – such as on lavish jewelry, designer clothes and luxury cars. These goods represent a ‘zero-sum game’ for society: they satisfy the owners, making them appear wealthy, but everyone else is left feeling worse off. Those with above average wealth consume Veblen goods with a positive impact on their happiness. But those with below average wealth simply cannot afford these goods, so they have a negative impact on their happiness. This is known as ‘Veblen competition’ (Royal Economic Society).

Postmodern developments are significantly influencing the global nature of conspicuous consumption, especially in a transitional society like India. Class markers, to some extent, are still guided by the classical Veblenian dynamics and material possession, but the changing dynamics of socio-economic structure is also being felt. Fuelled by increasing purchasing power and high decibel advertising campaigns, mass produced and imported products are gradually obscuring class differences, and consumption patterns are largely guided by the non-functional symbolic properties of the products (H. R Chaudhuri & S. Majumdar, 2006)

Conspicuous consumption, a kind of materialism, may be a source of contentment for oneself but anxiety and aggravation for others. Sometimes it becomes the reason of dissatisfaction for oneself. Individuals often face personal costs associated with heavy levels of consumption: the financial debt; the time and stress associated with working to support high consumption; the time required to clean, upgrade, store, or otherwise maintain possessions; and the ways in which consumption replaces time
with family and friends (Worldwatch, 2013). Thus, it is required to draw people’s attention on this issue to provide social and cultural base to an economy.

**Conscious Consumerism:** The definition proposed by Oslo Symposium (1994) on Sustainable Consumption defines it as “the use of services and related products which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations.”

Prices are demand driven. The higher the demand, the higher is the price. Buying more than need generates demand and results into higher prices which makes many people far away from the consumption of the same. Consumer choice or demand plays an important role to channelize production, and a conscious consumer can initiate a conscious demand to move towards sustainable development. Consumers have power to help the communities by shifting their consumption patterns. Every purchase gives them a chance to make the change. By giving a thought while spending, one must learn how he/she is impacting the communities.

Unsustainable consumption patterns are deep rooted in cultural habits. A sustainable culture ultimately is in direct conflict with any type of consumer culture. If seven billion people were to live truly sustainable lifestyles (assuming an equitable distribution of wealth rather than a rich elite and an impoverished majority), at best, the world would live like Cubans—with minimal access to fossil fuels, private cars, and unneeded consumer novelties, but with access to enough to eat, excellent education and health care, some basic appliances maintained to last generations, and organic small-scale agriculture that both creates community food security and local livelihoods (Erik Assadourian).

Today, we as consumers are losing generosity, social concern, sharing and cooperation. We are only factors facilitating a fundamentally faulty production system. It’s faulty because it’s a linear system, Leonard says, “and you cannot run a linear system on a finite planet indefinitely” (Niyati Shah). The phase of overconsumption is not natural but it is the result of our skillful decision makers by their psychological manipulation. However, the recent green wave has encouraged us to buy consciously, recycle and do other things to live a more sustainable lifestyle (Niyati Shah).

Living consciously requires activating the imagination to understand the complex reactions generated by our actions. We have to realize and visualize the fact that we’re connected to what we consume through a complex, interconnected web of transactions, which link people and materials from around the world together in a chain that ultimately connects us to the Earth. While picking something off a shelf or off a rack, and taking the time to understand the impact of that experience in deeper terms can make all the difference. Every purchase we make satisfies our needs and desires, but it also gives us a chance to connect to the people and resources required to create what we consume. Our consumption can help other people and heal the planet, if we take the effort to think more broadly about what we’re consuming (Vinil Patel).

Conscious consumer is the one who is not merely environmentally and ethically conscious but one, who also considers the impact of his/ her consumption on the entire society. An individual’s decisions reflect its core values: the belief in righteousness, equality and ecological responsibility. Thus, decisions must be taken in accordance with the better worldliness. Conscious consumerism will require changing the attitude of a vast number of the general public. People must recognize the importance of their purchasing decisions. They must have better understanding of the problems.

**Toward Conscious Consumption: A Behavioural Transformation:** Current global consumption patterns are unsustainable…it is becoming apparent that efficiency gains and technological advances alone will not be sufficient to bring global consumption to a sustainable level; changes will also be required to consumer lifestyles, including the ways in which consumers choose and use products and services (WBCSD, 2008).
To create sustainable patterns of consumption and production, or a situation, wherein, the production, distribution, use and disposal of goods consumed can no longer cause undue strain on the environment or lay undesirable social effects, fundamental changes are required. There is an option to reduce or halt the growth of consumption until autonomous eco-efficiency improvements catch up with past consumption growth (Edgar Hertwich, 2003). Sustainable consumption demands a discussion on and the questioning of the so far valid value model and the model of welfare (Heike Leitschuh-Fecht).

Consumption choices are powerful decisions that have a great impact on economy, society and environment. Sheth et al. (2011) characterized sustainable consumption pattern as mindful consumption, which is “guided and underpinned by a mindful mindset that reflects a conscious sense of caring toward self, community and nature.” We can say conscious consumer is one who is economically viable, socially responsible and environmentally sound.

![Figure 1: Conscious Consumer Value Model](image)

Economic dimension depicts the expenditure to increase long term personal well-being. Sustainable consumption means more conscious consumption which also means less consumption (Heike Leitschuh-Fecht). One should not purchase to increase belongingness; but for happiness. Material possessions do not always sustain contentment. Sometimes, desire and greed to hold matter increases financial burden which results in anxiety and dissatisfaction. We need to give a thought that what is it we want to increase – quantity of goods and services or the quality of our lives?

Social dimension includes social equity. It indicates living a life in a way to provide chance to live others. Motivation to consume in a socially responsible manner is mainly based on the consciousness of doing something good for others. In concrete terms, this means that a socially responsible consumer is “basing his or her acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society” (Mohr et al., 2001).

Environmental issue covers simply the consumption of eco-friendly products. Green practices can help to protect environment. Conscious consumption is not only about consuming less, but it is about consuming differently, consuming efficiently, and having an improved quality of life. Prosperity, economic growth and quality of life depend on living within ecological limits.

Thaler and Sunstein’s (2009) …re-iterate claims of cognitive science to the effect that the brain has two systems generating behaviour, one ‘automatic’, which is uncontrolled, effortless, associative, fast, unconscious and skilled, the other, ‘reflective’, controlled, effortful, deductive, slow, self-aware and rule-following. …A great deal of behaviour is governed by mental processes which are automatic,
intuitive, emotion-driven, and which therefore involve little deliberation or rational thought. …action does not proceed from consulting our values and attitudes about our personal probity or the greater common good, but are instead rapid responses to cues provided in the external environment, conjured up from habits and intuitions about the nature of the situation in which we find ourselves. This implies that to alter behaviour requires changing the environment of action rather than changing people’s minds (Alan Warde, 2013).

Providing sustainable economic system for the next generation presents both a challenge and an opportunity. It requires a transformation in consumer culture. Leaders can position themselves to succeed in this changing framework by redefining their strategies. Sustainable habits will be developed with full participation of all stakeholders. A clearly revealed consumer consciousness for sustainable consumption will help motivate and reinforce appropriate activities of companies, as well as impact the activities of political institutions that define regulatory frameworks and play an influential role in attaining sustainability goals (Ingo Balderjahn et. al., 2013). There is a gap between consumers’ attitude and practices regarding conscious behaviour. Consumers need to reduce this gap and must focus on the practices that help to minimize environmental impacts and provide sustainable lifestyle opportunities for all.

Despite significant shifts in levels of awareness, concern and general attitudes to environmental and social issues, many consumers have not made the same shifts in general behaviors, lifestyles and purchasing decisions (WBCSD, 2008). People are supposed to initiate to change their behaviour and take greater personal responsibility for their lifestyle and their choices. It is required that the individuals become rational and sensitive towards society and planet. They should be encouraged to change their conventional behaviours.

**Figure 2:** Toward Conscious Consumption: A Behavioural Transformation for Sustainable Development

We need cultural pioneers that can extract themselves from the dominant consumer cultural paradigm and work toward bringing about a new sustainable culture—ideally now, and in a way that can compete with consumerism. …These pioneers will need to embed themselves in existing institutions—governments, business, education, media and advertising, social movements, even religions—working to overhaul systems and the cultural norms they reinforce to make them orient on sustainability (Erik Assadourian).

Sustainability challenge cannot be solved only by improving efficiency, but should also include behavioural changes that entail empowerment of individuals and a concerted action of all societal actors, including governments, businesses, NGO's, media and education sectors, which by now have already been shaping lifestyles, effectively.
CONCLUSION

We can pay the ecological debt by changing economic models, and by giving up luxury consumption, setting aside selfishness and individualism, and thinking about the people and the planet Earth.

- Evo Morales

Present consumption patterns are intensifying inequalities. If the trends continue- if individuals won’t shift their priority from conspicuous display to meeting basic needs, if they won’t get satiated with their present level of consumption, if their thirst for consumption would not come to an end – our economy, society and planet will be deteriorated.

Hardly, there are some classes focusing on the higher spiritual needs of life. There are few who have actively pursued a change towards sustainability by now but there are many who apparently are least concerned. Considering the sheer scale and complexity of the issue, systemic changes for sustainable consumption appear to be a daunting task (Julia Backhaus). Conscious moderation of material consumption is the need of the hour.

A high consumption level does not necessarily guarantee happiness. It should in fact claim that people can live long, happy lives without using more than their “fair share” of the Earth’s resources. While no country combines high GDP with low life satisfaction, many poorer countries achieve levels of life satisfaction just as high as their wealthier neighbors (WBCSD, 2008). By engaging in conscious consumption, one can contribute to a better world order. Consumption should be guided by need but not by desires. A shift in consumer consciousness will cause a revolution that will put us on a healing path as we continue our journey through space (Vinil Patel). Everybody must get a fair chance to make its survival with dignity, and small steps can make a big difference in this direction.

REFERENCES


5. Heike Leitschuh-Fecht, (n.d.). Consumption and Sustainable Development, German NGO Forum on Environment & Development


