

“Can Second hand Cars be a new story of Sustainable Development and Consumption while being Economically viable?”

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Introduction

The idea of sustainable consumption has picked up pace since the beginning of the 21st century. Today there is a new dominant narrative in the discourse of the corporates which now talks about the triple bottom line. People, Planet and Profit the three P's of the triple bottom line with the first two P's of people and planet is the whole dimension of the sustainable consumption angle (**Slaper, 2012**). Therefore, the world of the modern times has still not left consumerism or the idea of the capitalist driven company products and its voracious consumption. The world of the 21st century however have been trying to integrate the idea of how sustainability can be an important part of the modern world. It is where the whole idea of the green marketing and circular economy comes into play. Therefore, it is one of the most important topics of the modern times when it comes in the modern world of manufacturing and consumption. As the concept of circular economy is one of the most important aspects of the modern times. The concept of circular economy is based on the concept of recycling the products till the very end of the product life cycle. India as a country along with other countries of the world has also been merged into globalisation and consumer driven economy Although amidst all this the important aspect is to understand the value of the products and its impact on the economy for consumption. This is where the concept of sustainability arrives.

What is the idea of sustainability?

The topic of the sustainable consumption is a broad aspect as the world of today has a range of products to choose from? Here this paper tries to look into the aspect of sustainable consumption in India from the perspective of second hand automobiles and its business. The question would be as to how automobiles can fit into the idea of sustainability. People generally talk about green energy especially in the form of solar or wind power. Also, there is a huge talk on the idea of sustainable farming. Sustainable farming includes techniques like composting and cycling of agricultural waste which can be used. In India there has been work going on and it is also one of the most important aspects. India being still an agricultural country there has been a lot of work in the field and as well as academic circles. Also, the concept of green energy where the Indian government is putting a lot of emphasis. Although still India lags behind in Solar power energy harnessing and dominated by China but the new *International Solar Alliance* pioneered by India and France together is a great step. On the domestic front too, India also has redrafted its policies on Solar power. As for the hydel power too, India has made it into the top10 list. Therefore, now the question arises there is one area where India has a lot to work for. To balance the demands of economy and environment.

The question of modern-day sustainability

India today is one of the major world markets when it comes to the manufacturing of automobiles. This can also be extended to the two-wheeler segment as well and of course the four-wheeler in the form of conventional cars. Companies from both within and outside India have been able to create an industrial ecosystem where the manufacturing of automobiles and its market is massive (**PWC, 2019**). The market includes automobile components, dealers, suppliers, manufacturers of the finished product and of course last but not the least but in fact the most important connecting point which are the consumers. The massive market of India and the increase in the disposable income of the people had definitely boosted the economy of India. The increase in the middle-class segment of the economy in India through the opening of the economy has been definitely a huge impetus to the consumer economy of India. The automobile segment of the Indian economy which started from a closed-door economy and limited consumption with only Hindustan Motors as the lone brand from India today has expanded to numerous Indian and international brands. The success of Tata Motors, Mahindra from India and even the companies from abroad ballooning the Indian automobile industry of today.

The topic however is based on the sustainable consumption and not the evolution of the automobile industry. Still the evolution of the automobile industry in India is important to know and understand that how the number of cars increased in India. Today India has some of the worst polluted cities in the world and some of them like Mumbai, Delhi, Bangalore, Kolkata are also notorious for traffic congestion ((**Economic Times, 2019**). The idea of people buying more cars without fully utilising the life of an already bought car has brought the Indian cities an ill fame of pollution and the traffic congestion. The second hand automobile market although is also a consumer driven business function. However, there is a strong sustainable component to it. The second hand automobile market first and foremost recycles a car and saves it from dismantling. The added equation of these factors has a tremendous environmental aspect. It is therefore important to understand that one car which is manufactured from a manufacturing unit uses so much of natural resources. The sheer amount of water which is spent on making a new car should be enough to allow one to appreciate that how important it is for a single car to be used till the end of its life cycle. Also, there is an important aspect of the economic front too and the perspective of sustainability which also needs to be looked at as well. The emergence of the app-based cab has made the importance of automobiles even more important.

The growth of private vehicles in India and the world had definitely pushed the CO₂ emissions of the world higher since the times of the industrial revolution not slowly but steadily. Although many countries in the west are now looking to ditch the private vehicles for the onset of a new trend of public transportation. India being one of the emerging countries which has performed well in climate change index in terms of the per capita emission despite having some of the world's most polluted cities including the national capital Delhi has a big challenge in this regard. This is where the importance of the second hand automobile industry can come in handy and already is. Some of the major Indian automobile companies are now looking to refurbish automobiles for the second hand market.

Standards to maintain the emission standards as well cutting down on industrial wastage creation can lead to a new eco system where the car industry can also survive despite cutting down on industrial wastage. This will also allow the companies to limit the production of the automobiles to a large extent while maintaining a sustainable standard for the industry to survive. This would allow for the sustainable consumption of the automobiles not only for the consumers but also for the industry too which would allow for the sustainability to be maintained in the eco system and as well as the manufacturing too (**Livemint, 2019**). This process would be an important step for India's constructive progress through sustainable development.

The new age sustainability model

The consumption of the second hand commodities has been existent in the human history from the middle ages and also in India. However, the trend of the second hand consumption has been attributed to the word known as recycling. The idea of the triple bottom line as mentioned in the earlier paragraph can be understood from this perspective of the newly repackaged form of second hand consumption and its impact on sustainability. The amount of industrial wastage for creating a new product has been written about in the earlier paragraphs. Now the question arises on why and how can second hand automobile consumption be termed as sustainable. To explain that first the idea of the second hand consumption needs to be understood and its importance. Second hand automobiles may be criticized for guzzling more petrol and also spewing out more pollution. However, the new certification standards as per the government directives also takes care. This is where the second hand automobiles and its impact on sustainable consumption is underreported. There has been a lot of reports on the green economy relating to farming techniques, transportation methods, fuel etc. However, the most important part of the green economy is that industrial production and their philosophy also needs to fall in line with the concept of "Profitable Green". This is where a country like India can take forward a step being an emerging economy in terms of sustainable production and consumption. Therefore, the automobile industry and its second hand consumption is important.

We have seen a growth in the new systems of the automobiles and the adaptability for the new age demands of the sustainable world. The increase in the solar power needs investment to create a solar point. That too also needs to disrupt natural resources. Similarly, there has been problems with hydel projects whenever they are being created as these are all renewable energy sources. That is important to understand. In the world of today except for the new sustainability in farming techniques such as composting which had a presence earlier it has come back for a better management of resources. However, when it comes to industrial wastage generation the real focus is not there. The bigger picture needs to be seen but also the smaller components are being missed. The idea of the cars already there to be adapted to the needs of the time. Dumping allegations aside it is the highest time for the automobile industry to take a step forward. Not only is the entire automobile unit in question but each and every component which uses resources from Steel to water and of course the aspect of the humans. Therefore, the concept of green car does not need to be just by manufacturing electric cars

and other means. The onus should be on cost cutting by elongating life of a vehicle although the question of fuel emission standards would be the biggest challenging question.

India has been emerging in the economic space and if we look at the new age of business ideas emerging from India it will be found most of the ideas are based on sustainability and recycling. This is important to note this important. If we look at Zomato, Swiggy from the food aggregators they are using bikes and also for delivery. Now if we extend this for the understanding that how the second hand automobiles sector can play a role we need to look at the aspect of the economy and the sector of second hand automobiles in India can help to build a sustainable eco system (**Eta.uk**). Cycling lanes and other modes of transportation including battery operated, electric vehicles can definitely be looked at the new modes of green automobiles apart from the concept of sustainability. However, the larger question is on what basis the sustainability can be judged from. The second hand automobile sector is an important dimension for emerging countries related to its impact for a larger economic as well as ecological balancing framework. Cab aggregator companies such as Uber also needs drivers with their own cars. In India the second hand automobiles provide for an important dimension of how the people can utilise the cars which has been produced and keep it passing on the line for a complete utilisation of the produced car. The effect of that one car and its manufacturing cost can be utilized for the greater economy of India producing sustainability factor overall.

The idea of the sustainability needs to be looked into from a commercial perspective. The idea of sustainable tourism and many other parameters of sustainable consumption have all been based on the commercial aspect. However, the difficult part is bringing in the concept of understanding how the core commercial products such as automobiles can be looked at from the perspective of circular economy which is the concept that has the element of capitalist consumption apart from the touch of sustainability (**crosspointemotorcars.com**). Especially related to this paper for the topic of sustainable consumption and for a country like India one needs to keep in mind that what kind of sustainable consumption effect can be achieved. The problems will be there related to the huge consumer population and the people who are involved with the overall setup. There is a huge equation for the industrial sectors and how the consumption would affect those industrial sectors. Like if we now look at the other sustainable consumption products used by Indian consumers that would be khadi-based products which has a lot of environmental appeal in the new times. However, coming back to the second hand automobile sector the idea of the automobiles industry has been brought in because of the volume of automobiles production and most importantly the idea of the automobile companies taking interest in the recycling of cars. It has brought in a tremendous change in the consumption habit of the consumers who are now looking towards second hand automobile purchase as fashionable.

New wave of sustainability

The companies from the west as well as India are now coming up with cars that are not only produced with the industrial standards maintained. Moreover, the recycling of the cars also brings in the “sustainable” aspect. **Cars24, Maruti, Mahindra, Car Dekho** all are in the sector of the second hand car market and have forayed into a profitable venture. Going back

to the statement of triple bottom line of “People, Planet and Profit” the idea of the sustainable consumption needs to be done from the perspective of the balancing of all three aspects. This is why the second hand cars which are refurbished to maintain the environmental standards apart from the wastage that is created by dismantling of a car and its impact on the environment is avoided (**lifegate.com**). Second hand cars although has not stopped the manufacturing of the new cars but s already talked about for a lot of times in this paper the idea of the second hand car market is to help the economic as well as the ecological concept together for sustainability achievement. New car manufacturing not only puts pressure on the environmental resources which too have been mentioned earlier but the cars that have already been manufactured can bring in the economy to generate welfare and resources for a larger section of the economy albeit even if in a trickle-down economy effect. The amount of environmental damage through dismantling of a car is not only avoided but also an automobile already there gets value. (**Carbuyerslab, 2018**)

The idea for the world of today is to create a value system and a chain of production and products which can maintain value. Therefore, even the modern automobile which are producing today environment friendly cars and also includes hybrid cars. The automobile business model of today has been focusing on the concept of sustainability. This can be extended to understand that how automobile consumption has a very important impact of the carbon footprint. It is about the resources and how it is being managed that will be the key to the future of this world. The idea is to remember that the industrial production would need to be balanced and synced with the environmental safeguards in place (**rawhide.org**). Therefore, companies like *Toyota, Ford, General Motors* all have built an industrial policy which uses the environmental safeguards now for their industrial production. More importantly the impact of the damaged of the environment is being tried to be controlled through a longer lifecycle of the automobiles. Despite a car being getting older with the advancement of the production process stages such as the **Euro Stage** is enabling the world to look at the process of industrial production from a new perspective. Not only that there is also a philosophy of the sustainable industrial value. If we take the example of automobiles the manufacturing is now being done to finetune the process of the environmental and industrial practises to coexist together. That is being done in a way that can be managed better.

Today the automobiles are graded through a rigorous process and although the quality assessment differs according to countries or regions there is still a new sense of sustainability aspect that is there. This is the most important part on how the environmental resources are used in relation to the environmental impact that it is going to have. Until and unless the system is imbibed by the companies it will be difficult to seep into the consumer behaviour aspect too. Starting from electronic gadgets, cell phones, shirts, garments and many other things the idea today is the same for automobiles. It is owned for convenience and luxury and generally shared by a very few people. However, the automobiles today are being manufactured in such a way that can add value to a larger section of the people (**Economic Times, 2019**). This is where the world of modern-day automobile manufacturing comes in. That has been discussed before but now the question arises as to what importance can the manufacturing of the automobiles do for the value of automobile unit produced to the

environment. The answer to this question is not straightforward however the idea is to maintain the value of a car produced. Some of the research work that longer the use of an automobile the lesser is the carbon footprint to the environment. Also, the environmental damage through a single car needs to be the key aspect when talking about the value chain of an automobile. This is where second hand consumption fits into (**Berners-Lee and Clark**)

The world of today has definitely reached a tipping point with the perspective of the health as one of the most important factors to be considered. Importance of the health and climate change has a very important relation in terms of the sustainable consumptions. Therefore, in terms of the second hand automobiles there is an important perspective here too. The dismantling of cars in the industries can lead to a lot of global warming which has already been put in the perspective of global footprint. However, the important part that was not mentioned is the amount of health hazard that can occur due to the dismantling of a car. Developing countries which already suffer from dumping of industrial waste from advanced countries such as in South East Asia and even in India in terms of car tyres dumping. The second hand automobiles also are a very understated sector of the industry which has a long-term green effect (**Squatriglia, 2008**). Early automobiles may not have been that well versed with fuel efficient technology however the modern times the rampant production of the cars and their dismantling impact on the economy is definitely an important factor that must be kept in mind while talking about the greater impact of climate change. Smaller steps add up to the greater value chain of how the climate change as well as health of the vulnerable section of the people can be protected while conserving the economy. This is what the paper wants to establish through the narrative.

A country like India where there is so much automobiles are being produced and the older cars are dismantled has serious consequences. High end environmental safeguard-based automobiles from India and as well as abroad is the new norm of the modern times. However now is the question on the toxic environmental impact of the automobiles being dismantled. Not to mention the environmental cost of the manufacturing of a new automobile which in itself is also an equation that needs to be looked at (**gleamcarwash.com,2019**). Today's hybrid cars which are working on fuel efficiency as well as the modern-day electric cars which are also at prototype cannot change the manufacturing impact of an automobile on the environment. Therefore, the development of a proper refurbishment and the extension of the life of an automobile can definitely help negate the effect of environmental damage (**ICICI Lombard report, 2019**). This is also important in relation to the health effects of not only the common people but also people involved in automobile manufacturers. The health hazards of making an automobile unit surely have gone down with automation process and similarly for dismantling of a car. However, that does not change the fact that there is still a huge cost of the health related to the effort made for creating a car. Also, the health hazard for dismantling of an automobile unit (a car) is even more severe and this where the extension of an automobile unit is an important consideration. Not to mention the long-term impact on environmental value which is the main purpose of the paper to drive home that value effect. An automobile unit needs to keep producing new cars for the industry and the people associated with it to survive. However, the practical question of how environment is affected by the production of new cars in association with old cars being scrapped or dumped is

avoided. First and foremost, the production of new cars and its resource utilisation has been discussed. However, the scrapping of the already manufactured cars and even dumping which happens in developing nations cannot be overlooked. The already existing car which has not yet fully utilized its value is a loss for the environment as well as the society. To sustain a society the idea of sustainable environmental capitalism must be built and this is where these kinds of ideas can be looked into. Industrial waste generation if curtailed will not only help the environment but also allows for the resources to be prevented from wastage. As the article already provides for the manufacturing of a single automobile unit creates a lot of wastage and this is where the idea of sustainability is defeated (**National Geographic**). Therefore, the rehaul of already used cars and their selling or commercialization which had been explained above can lead to a new form of sustainable consumerism. Also, it will help to drive the economy and the automobile industry based on rehauling already manufactured units. Overall the achievement of “People, Planet & Profit” can be achieved as needed today.

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