PSYCHOLOGICAL IMPACTS OF GREEN ECONOMY IMPLEMENTATION ON INDIVIDUALS AND SOCIETY: LITERATURE REVIEW

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Abstract. *The transition to a green economy is a necessary change in environmental, economic, and social paradigms. The changes brought about by greener living (renewable energy use, waste reduction and conservation efforts, to name a few), might have a significant impact on mental health, social cohesion, and well-being of an individual and society. Some positive outcomes include better and purposeful community engagement and improved mental health; while challenges might include increased anxiety and stress levels, related to climate change and adaptation to new norms and economic structures. Drawing on case-study analysis and theoretical frameworks, this literature review provides an overview of the crucial role of psychological factors in shaping the effectiveness of green policies, which have the potential to improve individual and societal well-being, by building psychological resilience and a collective identity in the context of environmental challenges.*

Introduction

The shift towards a green economy is being increasingly acknowledged as an essential tool to combat the environmental degradation, climate change and unsustainable use of resources (Stern, 2006). This transition not only involves changes in technology and economy, but also has important psychological effects on the human being and on society (Gifford, 2011). Renewable energy, waste reduction, and conservation practices can have a significant impact on mental health, social cohesion, and general well-being, as communities begin to adopt sustainable practices. Existing literature on the psychology of green economy transitions is limited. This literature review aims to explore the psychological impacts of green economy initiatives, highlighting both the positive outcomes and potential challenges associated with these transitions.

Positive Psychological Impacts of Green Economy Initiatives

1. Increased Community Engagement and Collective Identity

Green economy initiatives have been found to lead to greater community engagement and social cohesion. According to O'Brien et al. (2018), community-based environmental projects increase social capital since they unite people in common goals, and that is how a sense of belonging and collective identity is developed. Social networks built through this process are another important aspect, because they play a huge role in enhancing well-being and reducing stress and anxiety related to climate change (Pretty and Smith 2004).

2. Sense of Purpose and Environmental Stewardship

There is a pool of literature showing that the adoption of green practices gives a sense of purpose to individuals, because they can make personal contribution to the greener economy. For example, a study by Barani (2024) discovered that involvement in environmental conservation activities made a "meaningful" contribution to their participants' sense of being in life. Schultz et

al. (2016) claim that this sense of purpose is associated with greater motivation to engage in pro-environmental behaviors, which can further stimulate positive mental health outcomes. Another research shows that engaging in environmental stewardship as a way of contributing to a larger cause can reduce feelings of helplessness that are common under conditions of climate change (Geng and He., 2021).

3. Improved Mental Health Outcomes

There are many documented studies that bridge mental wellness to exposure to green spaces and sustainable practices. For example, Bratman et al. (2015) claim that spending time outdoors is associated with decreased symptoms of anxiety and depression. Additionally, initiatives aimed at increasing urban greening, such as community gardens, are associated with improved mental health and decreased stress (Van den Berg et al., 2010). These findings demonstrate the role of green economy programs in building environmental sustainability as well as creating a better mental health for individuals. One of the possible examples of such programs' propositions can be United Nations Environment Programme. It shows that "a healthy environment is both a prerequisite and a foundation for economic prosperity, human health and wellbeing" (GEO-6, 2019).

Challenges Associated with Green Economy Implementation

1. Climate Anxiety

It is essential to acknowledge the psychological challenges that may arise. According to Clayton et al. (2017), the move towards a greener economy brings what he calls "a fascination on the chronic fear of environmental doom judgements", described as climate anxiety. This is the situation when people feel distress of climate change. Climate anxiety can result in feelings of helplessness, despair and in depression in severe cases. The most vulnerable category here is younger generations; who feel a greater sense of responsibility and accountability for the future (Ojala, 2012). This is what Pihkala P. (2020) refers to as Eco-anxiety.

2. Stress from Economic Transition

Moving towards a green economy often involves radical changes in employment and economic practices. This shift can be stressful for people and may generate uncertainty among professionals concerned about losing their jobs or limiting their future potential as they adjust their skills necessary for green jobs (Kivimaa and Virkamäki, 2014). The fear of economic instability, which may result in anxiety and stress. shows a clear correlation between increased anxiety and decreased mental well-being can be observed. (Zhang et al., 2023).

3. Resistance to Change

Psychological obstacles can also pose a threat with behavioral resistance to adopt sustainable practices. When their values clash with their behaviors, individuals can experience cognitive dissonance, which could cause guilt or frustration (Festinger, 1957). According to Kollmuss and Agyeman (2002), understanding the psychological barriers that stop people from changing their behavior is vital for effective implementation of green economy initiatives. Gifford (2011) lists seven categories of psychological barriers - "the dragons of inaction". He claims that, while the majority of people consider climate change and sustainability to be important problems, only a handful of global citizens are really engaged in enough mitigating behavior to stop or at least reduce environmental problems. These seven categories of psychological barriers are: limited

cognition about the problem, ideological worldviews that tend to go against pro-environmental attitudes and behavior, comparisons with key other people, sunk costs and behavioral momentum, lack of trust toward experts and authorities, perceived risks of change, and positive but inadequate behavior change. The importance of these psychological barriers should not be disregarded, as unlike structural barriers, they are hardwired into psychics and not always obvious or observable. Overcoming psychological barriers is only possible if psychologists, green economy experts, and policymakers work together to help citizens overcome these psychological barriers. Education and awareness campaigns, developed together with psychologists, green economy experts, and policymakers, may be useful in helping citizens overcome these psychological barriers, reduce resistance and create sustainable behaviors in the longer term.

The Role of Education and Policy

Education plays a vital role in shaping public perceptions and behaviors toward sustainability. The results of the Yale Project on Climate Change (Leiserowitz et al. 2017) emphasize the importance of climate change education in order to develop and promote pro-environmental attitudes and behaviors. School curriculum should include educational courses and campaigns that include experiential learning. Good example here could be sustainability projects or field trips. Such programs will not only raise public awareness, but guide citizens and motivate them to be more connected and engaged in green practices (Hungerford and Volk, 1990).

Applying psychology to policy design can lead to more effective green economy practices by promoting social norms (for example, when the residents participate in public recognition for their environmentally friendly practices), which lead to increased participation through social influence (Cialdini et al., 1990). When it comes to stress and anxiety associated with uncertainty of economic transitions, one way of dealing with psychological barriers can be policies where emotional support is maintained. For example, access to counselling services could be offered for people affected by job displacement or thinking of changing their professional field (McMahon and Watson, 2020).

Conclusion and Final Thoughts

The implementation of green economy initiatives has far-reaching psychological implications for the individual and society. While we cannot deny important positive outcomes of this transformation, there are also challenges. Understanding these psychological consequences allows for the development of policies that do not just encourage sustainability but also enhance the well-being of individuals and communities. Involving the lens of psychology when designing the policy will help to address the lessons that can be learned from the past. It is recommended that future studies investigate more in-depth relationship between psychological factors and green economy initiatives and the interplay between personal values and green initiatives in diverse cultural contexts. Integration of psychological insights into the process of development and implementation of green economy policies, can promote resilience and cohesive collective identity centered on sustainability, thus creating more opportunities for preserving a greener planet and healthier society.

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