

**A STEP TOWARDS CURBING THE USAGE OF PLASTIC BAGS IN  
SUPERMARKETS: A SURVEY IN CHENNAI**

NETHRAVATHI PRASAD

*A project report submitted to the*

FACULTY OF SCIENCE AND HUMANITIES

**In partial fulfillment of the requirement for the award of the degree of**

*MASTER OF SCIENCE*

*IN*

*ECONOMICS*

**MADRAS SCHOOL OF ECONOMICS**

**ANNA UNIVERSITY**

**CHENNAI-600025**

**APRIL 2010**

## ABSTRACT

This study attempts to observe the response of the consumer if a tax is implemented on every plastic bag accepted in supermarkets. We have taken Chennai as our focus city. The willingness to pay is estimated by conducting a CVM survey. A sample size of 270 was collected and our results tell us that 53% were not in favour of the tax system and would prefer carrying their own shopping bag. If a hypothetical tax amount of 50 paisa, 50 paisa and 75 paisa for small, medium and large plastic bags was respectively assigned, our data indicates that there would be a reduction of 68%, 81% and 74% in accepting plastic bags at supermarkets respectively.

When people are faced with a choice where they can respond at relatively low cost to achieve a socially desirable end, they adapt quickly and in many cases willingly. This study shows us that the economic instrument to be used needs to target the mentality of the polluter to enjoy a significant result.