

ASPIRATION FAILURE

PIDE Working Papers
No. 2020:13



**Aspirations and Behaviour:
Future in the Mindset**
*The Link between Aspiration
Failure and the Poverty Trap*

**Omer Siddique
Durr-e-Nayab**

Aspirations and Behaviour: Future in the Mindset
The Link between Aspiration Failure
and the Poverty Trap

Omer Siddique

Senior Research Economist, Pakistan Institute of Development Economics, Islamabad.

and

Durr-e-Nayab

Joint Director, Pakistan Institute of Development Economics, Islamabad.

PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS
ISLAMABAD
2020

Editorial Committee

Lubna Hasan
Saima Bashir
Junaid Ahmed

Disclaimer: Copyrights to this PIDE Working Paper remain with the author(s). The author(s) may publish the paper, in part or whole, in any journal of their choice.

Pakistan Institute of Development Economics
Islamabad, Pakistan

E-mail: publications@pide.org.pk
Website: <http://www.pide.org.pk>
Fax: +92-51-9248065

Designed, composed, and finished at the Publications Division, PIDE.

C O N T E N T S

	<i>Page</i>
Abstract	v
1. Introduction	1
2. Meaning and Formation of Aspirations	2
3. Relation between Aspirations and Behaviour	9
4. Dealing with Aspiration Failure	13
5. Conclusion	16
References	17

List of Figure

Figure 1. The Aspiration-Behaviour Decision—Making Cycle	12
Figure 2. The Pygmalion Effect	16

ABSTRACT

The paper looks into how low aspirations are linked to low achievement levels. Supported by evidence from economics, sociology, behavioural psychology, and anthropology, it is premised that aspiration failure among the poor results in their getting caught in the poverty trap. This aspiration failure is a product of the mindset, and the resulting internal constraints, that an individual in a specific socioeconomic and cultural environment has. These constraints are based on the person's cognitive window, which allows for certain behavioural choices and disallows for others. Looking at the notion of economic rationality, the paper questions its applicability in real life, especially those of the poor having low aspiration levels, narrow cognitive window and bounded rationality. The paper presents a justification for initiatives, embedded in societal norms and values, that aim at empowering the poor by improving their aspirations.

Keywords: Aspiration Failure, Poverty Trap, Bounded Rationality, Cognitive Window, Behavioural Choices

“When I was about five years old, I remember seeing a cobbler and his son, who was probably of my age, sitting outside my school. I was disturbed by this. One day I mustered the courage to ask the cobbler why he does not send his son to school. He said, “Babuji, hum toh kaam karne ke liye paida hue hain” (Sir, we are born to work). That made me angry. I am still angry today even though I am a peace laureate now. Why are few children allowed to have dreams, aspirations, career and future and others not?”

(Kailash Satyarthi¹, Nobel laureate, 2014)

1. INTRODUCTION

What the little boy, later a Nobel laureate, saw was in very sharp contrast, wherein a little child watches other children going to school while he works with his cobbler father in front of that very school. Why did the child, and more importantly his father, not aspire to get an education? If poverty is the reason, is not getting educated the surest way out of poverty? What separates the children going to school from those cleaning shoes? Why is the father, the cobbler, not making the obvious ‘rational’ choice of sending his child to school to break out of poverty? And most importantly, why is he shackled with the idea that “we are born to work” instead of aspiring for a better and brighter future for his child? These are some of the questions that need to be answered to comprehend why people remain stuck in the poverty trap.

There is a vast body of literature in social sciences, dealing with different aspects of decision making, including that in behavioural psychology, sociology and behavioural economics, which suggests that an individual’s aspirations are important and can become a self-fulfilling prophecy. Appadurai (2004), in his pathbreaking work, goes as far as to refer the capacity to aspire as the ‘meta-capacity’. On the contrary, in the standard microeconomic choice-theoretic framework aspirations do not figure prominently, perhaps for the reason that, as argued by Lant (1992), “constructs that represent desires, such as aspirations, are subsumed in the concept of a preference function, and are not modelled explicitly” (p. 624). Research, however, has shown that aspirations do affect choices in significant ways.

Do the poor lack the ‘meta-capacity’, the capacity to aspire, that keeps them trapped in poverty? If we assume that aspirations have a bearing on the behaviour of individuals, understanding how aspirations are formed become of critical importance for the economic conditions of and outcomes for the poor. The present paper aims to do that by reviewing the concept of aspiration, used as an important factor in explaining an individual’s decision-making process and the resulting behaviour, as conceptualised in different literatures.

¹Kailash Satyarthi is an Indian social activist who campaigned against child labour and advocated universal education. In 2014 he was awarded the Nobel Peace Prize “for their struggle against the suppression of children and young people and for the right of all children to education.”

Based on Appadurai's (2004) assertion, the present paper premises that aspirations, similar to the level of sales in terms of firm theory, represent the satisfactory level of performance that the decisionmaker strives to achieve. To look into the formation of aspirations, their role in human behaviour, and any possible way to change them, the present paper uses the available literature to achieve three main objectives. These are to explore: (i) the meaning of aspirations and how are they formed; (ii) how do aspirations affect human decision making; and (iii) possible ways to get out of the aspiration trap, as in cases where the low level of aspirations act as a deterrent for betterment. The paper would look into these three aspects taking the state of being in poverty and getting out of it as a case study. The paper is divided into five sections. After this introductory section, a section each would be dedicated to the three objectives of this study while the fifth section, would present the conclusions.

2. MEANING AND FORMATION OF ASPIRATIONS

According to the traditional preference-maximisation-based model of choice, if two agents have identical preferences and if they also face the same budget constraints then they should arrive at the same choices. In reality, however, individuals not only arrive at different choices despite having identical preferences, but each individual's choices diverge from the predictions made by the standard theory. There are several explanations given for this in literature. One of the reasons proposed is that agents are not substantively rational, which is assumed in the traditional decision-making model. On the contrary, there are those who argue that decision-makers' rationality is bounded due to which they try to achieve a satisfactory solution instead of one that maximises. Simon (1955) uses the term 'satisfice' for it. In Simon's idea of satisficing, aspirations play a crucial role. According to his perspective, the reservation price is the level of aspiration, and the level of aspiration guides economic behaviour. Similarly, Tversky and Kahneman (1979), as a critique of the expected utility theory, argued in their prospect theory that decision-makers, when confronted with risky choices, do not behave as per the predictions of the expected utility theory. They believed that agents use reference points to make risky choices. These reference points, according to Sokolowska (2006) and McBride (2010), may be interpreted as aspirations. Aspirations, formed on the basis of bounded rationality, may hence lead to decisions that do not conform to the conventional notion of rationality.

Understanding the concept of 'satisficing', as given by Simon (1955) is important to identify some of the factors underlying aspiration formation. The idea behind satisficing is choosing a satisfactory option while sacrificing a potentially better one. Simon says that we do not always optimise, and in situations can opt for satisficing. He believes that individuals' decision making is bounded by cognitive limits. They may not have all the required knowledge or could be unable to assimilate and process all the information that they have to take a course of action that conforms to the tenets of classical economics. The rationale behind any decision taken by satisficing is that finding an alternative is not worth it. Simon says that this could be because of various reasons of which the most important ones are lack of complete information and the perceived probability of success, or otherwise, of the selected option. This explains the aspiration failure among the poor and their hesitation to take actions that may help them get out of the poverty trap.

The term aspiration has been defined in various ways in different disciplines, depending on the context. For instance, in psychology, aspirations can be understood as “the presence of forward-looking goals or targets, and a preference to attain them” (Locke and Latham, 2002 – quoted in Bernard et al., 2011, p. 5). An anthropologist-sociologist, MacLeod has defined aspirations as “one’s preferences, relatively unsullied by anticipated constraints” (1995; p. 61). In terms of socioeconomic aspirations, Walker (1997) has defined aspirations as “a strong desire to achieve a satisfactory level of education, income, or job, or profession. The desire [students] have for upward social and economic mobility” (p. 8).

The idea of aspirations, as an important cognitive device in decision-making, originated from the work of the social psychologist Kurt Lewin and his collaborators (Lewin et al., 1944). Lewin and his colleagues argued that in goal striving situations, agents form subjective probabilities of success and failure and based on these probabilities they form their aspiration levels on the goal variable. Students, for example, in forming their aspiration level on the grade they want to achieve in an economics course, would have subjective probabilities of success and failure, and based on these probabilities they would strive for that grade. That grade is their aspiration level. The amount of effort they would exert in that course would depend on their respective levels of aspiration.

The concept of aspiration has mainly permeated from behavioural psychology into other branches of social sciences. In behavioural firm theory, for example, March and Simon (1958), and later Cyert and March (1963), note that firm management expresses a preference for a particular performance level, which is a “sociological comfort level of profit” (Gentry, 2007; p. 20). These aspirations are formed based on past performance levels, and performance levels of other competitive firms, among other things. The process of aspiration formation, thus, suggests that aspirations are formed through social comparisons. Drawing on behavioural psychology and sociology literature, the issue of aspirations, and how they affect behaviour, has also figured in economic theory relatively recently. Some of the examples include Bendor, Mookherjee, and Ray (2001); Karandhikar et al. (1998); Diecidue and Ven (2008); Dalton et al. (2010); Bernard et al. (2014); Moulton et al. (2015); Moulton (2016); Genicot and Ray (2017); Mani and Riley (2019) among others.

In addition, the economics of happiness literature also employs the concept of aspirations to show that individuals’ happiness depends on the aspirations they form about life and its various aspects. The message of this literature is that aspirations mainly depend on past experiences and on comparisons with the individuals who are in the agent’s cognitive window. External factors, such as opportunities and information, also influence aspirations but once these external factors are internalised, they influence behaviour independently of the external factors.

The proposition that aspirations are shaped by social comparisons with relevant others, who form an agent’s cognitive window, are well supported by the evidence. Likewise, factors like opportunities, information and psychological orientation play an important role in forming an individual’s aspirations. These aspirations, conditioned in a society, affect the behaviour of those who are a part of it. Based on anthropological and sociological literature, we see that aspirations are strongly influenced by the overall ideological structure and socioeconomic institutions in a society. For example, Bowles

and Gintis (1980) have argued that educational structure in the US is such that the students belonging to the working-class families only strive for the type of education that rewards them in the jobs that are typically available to them. The schools promote such aspirations in students. In a similar vein, Sennett and Cobb (quoted in Wilcox and Moriarty, 1976) have argued that owing to the ideology of meritocracy and belief in innate abilities, the people belonging to the lower socioeconomic stratum, believe that they lack in what it takes to be successful, thereby attenuating their aspirations. In an ethnographic study, MacLeod (1995) showed how students living in a working-class neighbourhood in a US town do not even aspire to the jobs that transcend their socioeconomic status. He argues that schools, in which these students' study, play a significant role in shaping their aspirations. These aspirations influence an individual's motivation to succeed at a certain task and thereby the amount of effort they exert. All this has important consequences for the long run path an individual's career and life takes.

Aspirations matter because not everyone behaves rationally, as defined in neoclassical economics, and one is not sure of one's ends, which is typically assumed in game theory and traditional economic analysis. People are motivated by values other than maximising one's welfare, which is regarded as a goal in the neoclassical analysis. As also pointed out by Banerjee and Duflo (2007) that the behaviour of the poor is not in conformity with the view that poor are "poor but neoclassical", or they are not "poor but efficient" as was asserted by Schultz (1965) in his analysis of the causes of poverty. Poor are exposed to a different set of options and this difference is reflected in their behaviour. Even if the poor are neoclassical having unbounded rationality, and is an unemotional maximiser and is internally consistent, the decisions they take would still be different, claims Duflo (2006).

Real-life situations make us believe that certain groups of people are expected to have a particular set of aspirations. We can, therefore, argue that aspirations perhaps matter more at the aggregate level, that is for a group of people, and not at the individual level. This is, though, not to deny that aspirations at the individual level can vary significantly. They can and they do. The important point, however, is that in economic theory the unit of analysis is an individual, which is traditionally taken to be uninfluenced by the forces outside of his rational self. Conventional economics makes us believe that an economic man's actions are influenced by an individual's self-interest and optimisation. The *homo economicus* takes into account various contingencies to make a choice, and act. These assumptions of instrumental rationality, however, breakdown in reality as there are other factors as well that influence decision-making. The preferences and choices of individuals are assumed to be independent of the influences of his social and cultural environment, but as Sen (2004) has shown that even rationality allows for the influence of norms and values.

Aspirations, like that of the poor, are very much influenced and shaped by the immediate cognitive and non-cognitive environment. Cognitive skills involve the conscious intellectual effort of an individual, such as knowledge, learning, thinking, logical reasoning or remembering. Non-cognitive or soft skills on the hand are linked to an individual's creativity, self-control, resilience, temperament, motivation, integrity, interpersonal communication, networkability or attitudes, among other things. Both these skills are strongly interrelated in a dynamic process, which Heckman and Mosso (2014)

refer to as ‘cross-productivity’, with one feeding the other in a cyclic process. A similar cross-productivity exists between these two skills and aspirations as well. Increased knowledge and higher motivation can develop an active aspiration, and also vice versa as a high level of aspiration can motivate a person to increase knowledge.

Aspiration formation and aspiration failure are strongly linked to the mindset of an individual. Generally, mindset may be taken to mean a set of attitudes and inclinations, and outlook towards life and cognition about approaching problems in life held by one or more people or groups of people (Armor and Taylor 2003; Bernard 2014; Rhew et al., 2018). These attitudes and inclinations are so ingrained that they create a powerful incentive within these people or groups to continue to adopt or accept prior behaviour and choices (Rhew et al., 2018). In other words, mindset is a self-reinforcing point of view or set of interlocking points of view that are, taken together, extremely difficult to break or change. Moreover, we may take mindset to mean collective habits, perceived importance of values and norms, social, group or collective behaviour. Mindsets of the people affect the things they value in their lives, and which goals to pursue and how. This, in turn, influences their behaviour, choices, preferences, and decision-making. Although, choices and preferences are approached at the individual level in the neoclassical economic theory, based on the methodological individualism argument (Bouwel 2015; Bulle 2018), preferences and choices at the social level matter as well in determining the future course that an economy might take.

Aspirations are a product of multiple factors, and parental aspirations and ethnic influences are among them. Ritchie, Flouri, and Buchanan (2005) produce a quote from Katz et al. (2001) which buttress this claim: “My dad thinks getting education is very good but he also believes making money is also is very important. That’s why I’m not going to university. I can start making money now and my dad will be proud of me that way” (p. 7). Similarly, Gutman and Akerman (2008) note, “Aspirations help mitigate the effects of low socioeconomic background for certain minority groups, such as Indian and Chinese students; however, the effects are less strong for Pakistani and Bangladeshi students and least strong for Black Caribbean young people” (p. v). Probably what matters for one is only economic success and not social status, per se. On the other hand, others may want not only to achieve economic success but also social status in the society they are living in. As a result, these differing mindsets may lead to differing aspirations regarding educational attainment and consequently for the socioeconomic achievements. In this regard, the words of Appadurai (2004) are very illuminating when he says, “[...] how collective horizons are shaped and of how they constitute for the basis of collective aspirations which may be regarded as cultural” (p. 61). In this quote, ‘collective horizons’ may mean the collective mindset. Therefore, in order to understand how aspirations are formed, it is also important to understand what the determining factors of collective horizons are.

The habits of people can be a good indicator of the collective mindset of people and in this regard, Thorstein Veblen and original the institutionalism’s² insights on habits as the basis of human agency can be quite helpful. According to Veblenian analysis of institutions and habits, when habits become a common part of a group or a society, they

² “Old/Original Institutional Economics as opposed to the neoclassical version of institutional economics, known as New Institutional Economics.

grow into routine or customs. The original institutionalism school sees habits as forming the foundation of social institutions and the basis for human action and beliefs, representing the general ethos prevailing in the society. Habits, therefore, provide individuals with common cognitive apparatus as well as an inclination to conform to other members of the society, group or clan. The general idea of old institutionalism is that institutions are “a way of thought or action of some prevalence and permanence, *which is embedded in the habits of a group or customs of a people*” (Hamilton, 1932, p. 84, quoted in Hodgson (1998); italics supplied).

In light of the above argument, it is probably not wrong to argue that the collective mindset of a group or even a nation can have a positive or negative influence on its social and economic development. At the same time, it can also be argued that mindsets are influenced by changing economic conditions, at both individual and societal level. In the formation of mindset, which is an important constituent of aspirations, it can be argued that the historical conditions and developments have an important role to play. At the simplest level, a nation whose majority consists of forward-looking, hardworking and diligent people—like the post-World War II Germany or the post-Meiji restoration era Japan, may have a positive impact on the overall development. Such a mindset can directly feed into aspirations of attaining excellence in various spheres, such as education, technology or industry, and consequently aspirations of achieving socioeconomic transformation. Although there were other reasons, such as stock of knowledge, as embodied in technology and human capital, for the rapid reconstruction of Germany after the destruction in the World War II, the German people’s spirited effort to rebuild from ruins a robust economy is probably one such example of the interplay of mindset and socioeconomic development.³ Similarly, the people of Japan were thought to be lazy by the Western people and incapable of achieving economic development. However, with the advent of Meiji reforms, which changed Japan from an agrarian society to an industrial one, the mindset of the people changed, and Japan emerged as one of the most developed countries in the world.

The relationship between mindset and aspirations is quite an important one and to further explain it, it may not be amiss to consider the ideas put forth by Max Weber in his ‘Protestant ethic’ argument (Weber, 1930). He postulated that capitalism flourished in the West because the behaviour of the people, who were predominantly Protestants, suited more to the accumulation of wealth than to the behaviour of people adhering to other religions (or philosophies of life) such as Confucianism,⁴ which did not see the accumulation of wealth as an ethical activity. Weber argued that the ‘Protestant ethic’ influenced people to engage in the secular domain, made them work hard and accumulate wealth. According to Reformed Protestantism and Calvinism, hard work is an absolute duty, a spiritual end in itself, and the best way to please God (Kahl, 2005). A larger metaphysical belief, argued Weber, instilled a certain kind of mindset in the Protestants, which led them to aspire for economic success. Although Weber’s idea of the Protestant

³ Political factors, such as Marshall Plan and the interest of the United States to keep Germany from communism also contributed significantly to the rapid rise of Germany. The same goes for post-World War II Japan as well, to some extent.

⁴ Confucianism is not strictly a religion. It is an ethical and philosophical system based on the writings of Confucius.

ethic is still a moot point⁵, the underlying point is that it shows that values, norms, habits, and metaphysical beliefs may manifest themselves in differing aspirations leading to differences in behaviour, which may, in turn, lead to different outcomes.

When we contrast the notion of “Protestant Ethic” with the idea in Islam, or more appropriately the interpretation of the Islamic ideology, we find the latter stressing that this world is simply a testing ground for the world hereafter. The emphasis is not on wealth accumulation but is on aligning one’s will to the will of the divine entity and preoccupation with worldly pursuits is looked down upon.⁶ It has, therefore, resulted in a mindset, which is not conducive to economic pursuits and wealth accumulation. Although, Muslims too work for better economic life but the conflict between seeking worldly pursuits and otherworldly aspirations, has led to many problems and overall economic declination of Muslims the world over. In fact, the case of Islam is a curious one. From 8th to 13th centuries, as it has been noted by many, the Muslims made significant contributions to science, mathematics, logic, chemistry and art, and the regions that defined Muslim world were economically prosperous. However, today the Muslim-majority regions are in general socioeconomically backward. In this regard, Chang (op. cit) has noted that different cultures are not inherently bad or good for development but rather what matter is how people use the ‘raw material’ of cultures. A culture can produce different behavioural patterns in its people at two different points in time or at two different geographical locations at the same time.

According to Chang, on the surface, the idea that culture can influence economic performance is an attractive one. He says, “Culture influences a country’s economic performance. At a given point in time, a particular culture may produce people with particular behavioural traits that are more conducive to achieving certain social goals, including economic development, than other cultures. At this abstract level, the proposition seems uncontroversial” (2007: 15). He is of the view that though culture and economic development influence each other, the causality from economic development to cultural change is much stronger. Although culture can be changed through ideological persuasion, it will not be very effective unless complementary economic development has taken place. In view of Morishima (1982), “Economic structures and economic relations are also strongly conditioned by the national ethos” (p. viii). The importance of economic development in bringing about cultural change is indeed quite a persuasive one as Chang (2007) has shown that how the mindset of Korean, Japanese, and Germans, among others, changed after these countries went through economic revolutions. However, what must also be investigated is what led these countries to bring about economic change in the first place. One can argue that the industrial revolution in other Western countries acted as a positive externality, which led to the development of the countries in question. But was it enough to stimulate economic development in countries like Japan and Korea? This paper premises that a concomitant change was required in the mindset or ethos as

⁵ As Sen has pointed out that Koreans who are Catholics as well as followers of Confucianism have also made steady progress over the past half century or so despite the fact that Weber was of view that the ideas of Confucianism were not suited for wealth accumulation.

⁶ It may be clarified here that the given statement is about how the religious teachings, in different religions, are perceived in general and not what they actually are. The latter is beyond the scope of this paper, and in any case the paper’s basic premise is that decision-making and behaviour is based on the way things are perceived, the mindset.

Morishima (1982) calls it, of the peoples of these countries. After all, as it is argued, the enlightenment period led to the change in the thinking of the Western world, which paved the way for the industrial revolution and associated development, both economic and social.⁷

Aspirations have a sense of holism, therefore, it is more appropriate to make aspirations as a basis of analysis when we are concerned with a group of people, the poor in this case. In any analysis of poverty in economics and related literature, the problems and issues faced by the poor are treated as distinct from the overall problems faced by an economy. The poor are considered as a 'group' that is similar internally and different from all those not part of this group. In this regard, Appadurai (*op. cit.*, p:65) has noted:

"They are a social group, partly defined by official measures but also conscious of themselves as a group, in the real languages of many societies. Just as ordinary human beings have learned to think of themselves as "people" and even as "the people" in most human societies in the wake of the democratic revolution of the last three centuries, poor people increasingly see themselves as a group, in their own societies and also across these societies."

This is especially important in case of poor because the larger set of aspirations from which the motivation is derived are primarily the same. In fact, the aspirations depend on, inter alia, one's social class or group. Therefore, broadly speaking the underlying larger set of aspirations may be the same for these different classes. For example, a son of a poor farmer may have as his goal to own a tractor, whereas the son of village blacksmith may want to own his workshop. Nevertheless, it is very much possible, that underlying aspirations are the same in both these boys, i.e., to make a living while conforming with their heritage, as embodied in their fathers' occupation.

Sociological and psychological research has shown that aspirations may be explained, to some extent, with reference to individuals' social class, culture, gender, and age differences (Ritchie et al., 2005). It cannot be denied that aspirations matter for the individuals as every individual has her end to meet. Nevertheless, if a group of people, the poor in our case, is able to build in them the capacity to aspire collectively, then it is much more likely that they succeed in combating the adverse conditions of their existence because of interaction and peer effects. The rich or relatively rich people may also be lacking in the capacity to aspire but the reasons and the ramifications of them lacking in aspirations are different from the poor. The rich people, however, have other resources, such as material and social resources, to make up for this lack of aspirations. Their social capital and social network can pull them through in cases where individual inspiration is found to be lacking. For example, a young man belonging to a well-to-do family may not have aspirations as to what he wants to do with his life, but he can make up for this deficiency and the consequent lack of action by, say, the connections his father might have to land a lucrative job. On the other hand, if a young man belonging to the poor background is lacking in the capacity to aspire, he may not have other resources to fall back on.

⁷ It is, however, contentious whether it was the Enlightenment that was the cause of the Industrial Revolution or was it the other way around.

3. RELATION BETWEEN ASPIRATIONS AND BEHAVIOUR

Aspirations are not just important per se as their effects run deeper. Formulation and realisation of aspirations involve negotiations with oneself, with others and with the wider socio-historical context (Ritchie et al., 2005). They are influenced by both individual and contextual factors, including the overall socio-historical context that dictates opportunities and possibilities (Schoon and Parsons, 2002). Ideologies, social norms, values, and political power structure play a very important part in the conditioning of aspirations and the consequent behaviour shown by an individual. Given their different socioeconomic environment, the poor behave quite differently from the other social groups in society and economic behaviour is no exception (Duflo 2006; Banerjee and Duflo 2007). The behaviour of the poor is especially important in the traditional societies (such as East and South Asia and Sub-Saharan Africa) where the majority of the poor live, as Munshi and Myaux (2002, p:2) observe: “[...] is based on the idea that many aspects of individual behaviour, including fertility, are socially regulated in a traditional economy.

Taking this discussion back to the state of poverty, we see that poor, as a group, dwell on the fringes of formal society or economy (Ray, 2004). They are divorced from the democratic decision-making process and in framing economic environment, from which they are affected, directly and indirectly. Certain choices are forced upon them, such as the type of educational opportunities provided within the areas inhabited by the poor people, which is generally of much inferior quality compared to those in areas with better economic conditions. Not only that, often they are given limited socioeconomic capacity building programs. In this way, the sociocultural and material environment available to the poor does not prove conducive for forming higher inspirations.

Because the poor face problems and troubles disproportionately more than other social groups in society, it becomes ever more important to explore how aspirations affect their behaviour. A son of a feudal lord, knowing that he would inherit his father's estate one day, perhaps does not need the capacity to aspire, especially related to elevating his socioeconomic status, as much as the son of a poor farm tenant does. On the other hand, a poor farm tenant's son needs to aspire if he is to break free from the inter-generational poverty trap. Perhaps this is the reason that Appadurai (2004) has termed the capacity to aspire a 'cultural capacity', which is a shared capacity built upon common attitudes, values, norms and metaphysical beliefs, all of which put together broadly define a culture⁸.

Sen (2002) has also argued on similar lines and believes that people, in setting objectives and conditioning behaviour, place importance on their identities, i.e. how do they see themselves with reference to the community or the group they belong to, “We have many identities, and being “just me” is not the only way we see ourselves” (op. cit.; p. 215). Sen further notes, “Community, nationality, race, sex, union membership, the fellowship of oligopolists, revolutionary solidarity, and so on, all provide identities that can be, depending on the context, crucial to our view of ourselves, and thus to the way we view our welfare,

⁸ Culture here is defined as: i. a set of shared attitudes, values, goals, and practices that characterises an institution, organisation, or group; and ii. an integrated pattern of human knowledge, belief, and behaviour that depends upon the capacity for symbolic thought and social learning. Appadurai (2004) defines culture as “general ideas about human creativity and values; matters of collective and social organisation”.

goals, or behavioural obligation” (op. cit.; p. 215). Sen believes that cognizance of other people’s goals is part of living in a community, and behavioural response is required to adjust personal goals with that of others. Sen, most importantly, notes that “the pursuit of private goals may well be compromised by the consideration of the goals of the others in the group with whom the person has some sense of identity” (2002: 215). This is contrary to the game-theoretic framework and the more traditional neoclassical framework, where anything other than the pursuit of one’s own goal is considered irrational.

Behavioural and social psychology research into intrinsic and extrinsic goals can be of help in explaining this. For instance, Grouzet et al., (2005) have shown that people in poorer countries put more value on intrinsic goals. The intrinsic goals are defined as “those pursuits that are generally congruent with psychological needs for relatedness, autonomy, and competence proposed by self-determination theory and these are inherently satisfying to pursue, in and themselves” and “in contrast, extrinsic goals are primarily concerned with some reward or social praise” (p. 801).

So how is all this linked to aspirations influencing behaviour? State of persistent poverty provides an ideal opportunity to consider this relationship. Ray (2004) notes, “poverty stifles dreams or at least the process of *attaining* dreams” (italics in original, p:1), and that the adverse conditions in which they exist dent the aspirations of the poor. The poor are made to face the adverse situations every day as they are exposed to different kinds of risk disproportionately more than other groups in society, and they have to deal with failures and disappointments and face rejection in almost every sphere of life more so than the others. Because of living in the state of poverty for an extended period, the poor come to believe that their role in the society is to play second fiddle to the middle and upper classes. The impact is that their thoughts are stunted, and their growth as active members of society is curtailed. It would not be wrong to say that the poor internalise their conditions as created by the external and come to believe, either consciously or unconsciously, that they are predestined to live in such a condition. This perhaps dampens their capacity to aspire. Duflo (2004), very rightly, concludes that “being poor almost certainly affects the way people think and decide” (p. 376).

It is perhaps easy to argue that aspirations have an intimate relationship with poverty but what is more important is to understand what lies beneath, i.e., what factors lead to the formation of a specific set of aspirations. One explanation could be that like everyone else poor people are rational decision-makers and aspirations is a function of their abilities. Since they are rational actors, they can assimilate all the required information to make choices and act on them. An obvious inference from such a view can be that aspirations are an individualistic phenomenon and they vary from individual to individual. Appadurai (2004) however, sees it differently. According to him, as discussed above, aspirations are conditioned by societal setup and cultural factors, such as institutions, history, religious and moral norms and values. Aspirations are, thus, formed through learning by experiences, both personal as well as other people’s. Comparisons with the relevant others⁹ and their life experiences can also contribute to the formation of aspirations, and consequent behaviour.

⁹In psychology and sociology, a relevant other is any person who has a strong influence on an individual’s life and more importantly self-concept.

Aspirations affect an individual's preferences and choices, economic decision-making, and economic behaviour (Appadurai 2004; Raj 2005). An individual's aspirations manifest themselves in specific wants, desires and preferences. And as stressed in the discussion above, behind them are larger social values, norms and metaphysical beliefs at work, manifesting themselves in the course of behaviour taken by an individual. Aspiration failure among the poor could lead to a behaviour option that contributes to their staying poor. As Sen (2002) notes: "a hopeless destitute with much poverty or a downtrodden labourer living under exploitative economic arrangements, or a subjugated housewife in a society with entrenched gender inequality, or a tyrannised citizen under brutal authoritarianism, may come to terms with her deprivation. She may take whatever pleasure she can from small achievements and adjust her desires to take note of feasibility (thereby helping the fulfilment of her adjusted desires). But her success in such adjustment would not make her deprivation go away" (p: 82).

An individual's social identity, in the sense of how they are positioned relative to social structures of power, is a crucial factor in their ability to both access and convert commodities into the fulfilment of basic needs. The relationship between social marginalisation and economic marginalisation is very profound and complex as individuals are always and everywhere entrenched in a web of power relations, such as racism, sexism, ethnocentrism and classism, that either advance or hinder their life needs. Aspiration formation is, thus, not an isolated event but is taking place in a larger frame of reference. As put by Marx (in 1849), "Our wants and pleasures have their origin in society; we, therefore, measure them in relation to society; we do not measure them in relation to the objects which serve for their gratification. Since they are of a social nature, they are of a relative nature." (quoted in Stutzer 2005).

According to Bandura (2001), the capacity to exercise control over the nature and quality of one's life, or human agency, is the essence of humanness and a strong determinant of self-development, adaptation and self-renewal. Bandura's social-cognitive theory of self-efficacy states that unless people believe that they can produce desired outcomes by their actions, they have little incentive to act or to persevere in the face of difficulties. Perceived self-efficacy is, therefore, a pivotal factor in psychosocial adjustment. It is an individual's belief in their capacity to perform a task (Myers 2010). The higher an individual's self-efficacy the more ambitious his aspirations would be, and the lower the self-efficacy the less motivated that individual would be.

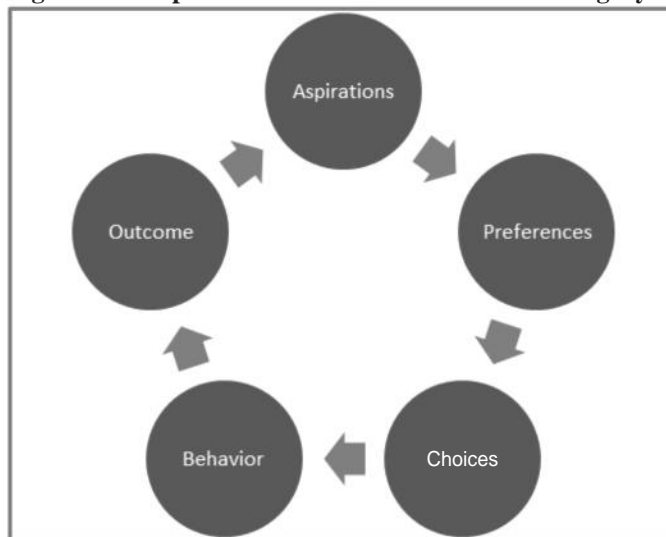
Bandura's thesis (2001) is important in relation to the poor, and their aspiration formation and the resulting behaviour. If a poor person believes that whatever he does would have no impact on the outcomes, he will find no need to raise his aspirations. If a person thinks that he is self-inefficacious, going by the self-efficacy theory of Bandura (2001), it can lead to aspiration failure. This can be linked to the point raised by Appadurai (2004) that the norms of the societies are such that the poor come to believe in their degradation. This results in their thinking that if whatever they do will be worthless or inconsequential then there is no point in having high hopes or aspirations. Aspiration traps are, therefore, probable in case of extreme intergenerational disadvantage where parents and children give up hope because they feel that whatever they do will make no difference (Buchanan, 1996).

Another reason given in social psychology literature for the aspiration trap is the lack of knowledge. It is very much possible that the poor are unaware of the opportunities they have and the things they can do to enhance their economic status and hence social status. That can be an important reason for why aspirations of the peers also shape the aspirations of the agents, as is argued by Ray (2004). Since they are the ones close in the social network and are the primary source of information, aspirations and acts of one affect the other.

The rational choice theory sees social interaction as a social exchange modelled on economic action (Elster, 1986; Heath, 1976). People's behaviour is motivated by the rewards and costs of actions and by the profits that they can make. Some young people may make a rational choice that achievement in education is too difficult and/or produces too few returns, so they choose other routes to achieve status and esteem, perhaps through antisocial behaviour. If we are to understand the choices that young people and their parents make, we need to see the world as they do. The same applies to understand the behaviour pattern of the poor. The low aspirations and the behaviour choices they make may appear irrational to others which in actuality be a very rationally thought out decision by the poor. Any perceptions of them being otherwise may, in fact, be a shortcoming in understanding their aspirations, the decision-making process, and the behaviour they exhibit (Duflo and Bannerjee 2014).

It is also important to determine whether people's aspirations determine their pathways, or their pathways determine their aspirations. Although Ritchie et al. (2005) have talked about young adolescents' aspirations regarding education, this is especially important in the case of the poor. Their pathways, we premise, are determined by their historical contexts, which in turn determine their aspirations. For instance, a poor child failing at school is much more likely to drop out than a rich child. The outcome (failing in exam) of the behaviour choice he made (getting enrolled) is much more likely to have a regressive effect on his aspirations, adjusting them downwards in all probability. Figure 1 below helps us understand this decision-making process.

Fig. 1. The Aspiration-Behaviour Decision—Making Cycle



Source: Authors' representation based on the reviewed literature.

Aspirations are not static. As can be seen from Figure 1, once formed, aspirations lead an individual to have certain preferences out of which the agent chooses the one he finds most appropriate. This choice that he makes leads to a behaviour that the actor considers is most suitable to achieve the aspired goals. The outcome that the actor achieves, in response to the chosen behaviour, can, in turn, affect the aspirations (Figure 1). Depending on whether the outcome of the choice is positive or negative, it can either keep the aspirations at the prevailing level or readjust them to a higher or lower level. The set of preferences available to the poor are much limited as compared to the rich, so the choices they make are almost invariably less ambitious. If the outcome of their behaviour choice is negative, in any way, it can further entangle them in the aspiration trap. This entanglement for the poor is because of many reasons. These include fear of failure or being socially ostracised for aspiring and failing, bounded rationality, inhibition caused by the failure of those like them, lack of knowledge of available alternatives, low self-esteem or simply resigning to fate. Appadurai (2004) believes that aspiration failure can actually be a coping strategy for an individual, just as cynicism, distance or compliance on part of the poor in any given situation. This behaviour may seem irrational, in the neo-classical economics sense, but every person has a rationale for the choices they make. 'Cost' can be non-pecuniary, as can be the 'benefit', thus, the rationality of a decision should not be judged by using only the market-economics' yardstick.

4. DEALING WITH ASPIRATION FAILURE

Perhaps the most important factor underpinning this study is that without aspirations people may see no other future for themselves than that dictated by their immediate social contexts and capacities. For the poor, it would mean staying trapped in poverty. For them to graduate out of it they, especially the young, are to dream and have the ability to convert their aspirations into reality. This would need an identification of the risk and protective factors within families, schools, ethnic groups and society which promote and frustrate the hopes and expectations of the people, more so of the poor people.

The literature on poverty and ways to eradicate it is replete with examples that stress the need for capacity building. However, the term capacity building is used in terms of giving them material resources, human capital formation or strengthening the organisational resources to overcome the problems faced by the poor. The neglected area is the need to strengthen the capacity to aspire. A capacity that equips the poor to look up to their future with the desire to escape the vicious circle of poverty. It is important to see aspirations from a collective lens, especially when we talk about the poor's aspirations because the poor have to work through a set of rules, values, and norms imposed upon them by their social status and depleted bargaining power (Appadurai 2004). At the same time, the poor are slaves to the ideological hegemony, and they do participate in their own repression, accepting ideas and values that are imposed upon them. Talking of underprivileged people, Alsop et al (2006) believe, "[They] internalise their second-class status in ways that cause them to make choices that perpetuate their disempowered status" (p.12). Any effort to change the mindset needs to target the groups' collective thought process and the social milieu it is a product of. As Appadurai notes, "Aspirations are never simply individual. They are always formed in interaction and in the thick of social life" (p. 67).

Two important aspects that need to be considered in this regard are the possibility of misdirection of aspirations, and the distinction between idealistic and realistic aspirations. It might be the case that poor's aspirations are misdirected toward the pursuits that are inconsequential for their economic betterment (Duflo and Banerjee 2015). For example, it has been found that the poor spend more money than they are capable of on marriages and funerals and when the need arises, they are not able to meet those pressing expenditures, such as in case of drought or floods. Regarding readjusting aspirations upward, tailoring of ideals to be realistic may be a rational choice. Such a consideration becomes even more important in view of the feedback effect any behaviour outcome has on aspirations. A failure, due to the aspirations being unrealistic, can lower the aspirations to a level that could be detrimental to an individual's future.

To think of ways to alleviate aspiration failure we need to first understand what causes it. Reeves (2014) delineates four broad reasons for it. These are: i) don't want it; ii) beyond my reach; iii) not for people like me; iv) never knew about it. The first reason should not bother us as long as the aspirations are formed freely and with full knowledge of all the available options. The remaining three reasons, however, are a source of concern in dealing with aspiration failure. And as Reeves (2014) very aptly puts it when he says, "If people shrink their horizon to fit their circumstances, there is an obvious danger of a vicious circle, especially in terms of intergenerational mobility" (p. 11). For instance, if a poor person does not aspire to get a college education, even when the expenses are guaranteed to be paid because he feels it is 'beyond his reach' in more cases than not it would be because of the explicit or implicit norm that college education is not for 'people like him'. In some instances, because of his narrow non-cognitive window, he might be unaware of any such opportunity to even exist or the possible pathways to achieve it.

Capacity to aspire is a navigational capacity (Appadurai 2004), and the rich with their higher access to information have a better horizontal and vertical navigation. As one would expect, the poor with their constrained navigational skills cannot track themselves on the social map. In a situation where the formation of aspiration is depressed by a lack of knowledge or lack of self-belief, there is a need for public policy intervention. This may take many forms, ranging from initiatives to increase the cognitive window to changing the physical environment. Increasing the flow of information can reduce the probability of 'did not know about it' as a hindrance to forming aspirations. For the handicap created by the 'beyond my reach' notion, the demonstration effect can be used to good effect. As also mentioned by Appadurai (2004), precedent-setting is very important in lifting the aspiration level of the disenfranchised. This can be done by projecting the lives of those belonging to the marginalised groups who made it big in lives as a symbol to emulate.

Bernard et al. (2014) found a very interesting example for precedent-setting while conducting an innovative experiment in rural Ethiopia to test the relationship between aspirations and behaviour. In their experiment, they randomly selected individuals to watch documentaries about people, from backgrounds similar to their own, who had flourished in agriculture or micro-business, without any public or private help. A placebo group was also selected that watched Ethiopian entertainment programs while a third group acted as a control group. Six months after the screening of the documentaries,

aspirations had improved among the treated group while the other two groups showed no change. Depending on the content of the documentaries shown, evidence was also found for treatment effects on the group's savings behaviour, children's school enrolment and investments on it, and on a set of measures designed to gauge behaviour linked to an individual's psychological and sociological aspects. Bernard et al. (2014) stress that a one-hour documentary's effect on improving aspirations and translating them into forward-looking behaviour offers great hope to those designing poverty alleviating interventions. Similar results were found by Chung (2000), using a simple model of role models where individuals were taken as rational Bayesian learners, who attach a similarity weight of one to the achievement of other individuals similar to themselves.

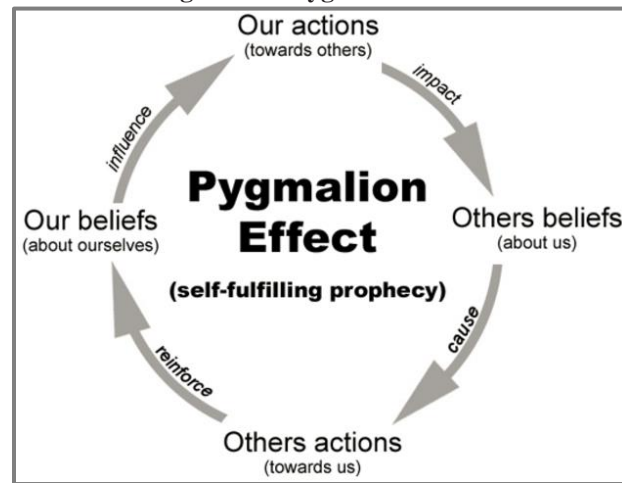
The 'beyond my reach' belief, denting formation of aspirations, can also be dealt with initiatives aiming to alter the mindset of the underprivileged. The 'Big Brother Big Sister' initiative in the USA is a very apt example in this regard in which adult mentors were assigned to children, predominantly from impoverished and disadvantaged families, aged 10 to 16 years (Tierney and Grossman 1998). The mentored children were half as likely to miss school days, felt more confident at schoolwork, missed fewer classes, and were less likely to do drugs or be involved in violent behaviour as compared to those children who were not being mentored (Tierney and Grossman 1998). An effective mentoring can help alter the mindset, hence the aspiration level and the consequent behaviour of the people. The opportunities that may at first look 'beyond my reach' to an individual with low aspiration can appear as a viable option after a good mentoring effort.

Fishkin (2014) in his work *Bottlenecks* says, "Opportunities of many kinds throughout life affect the course of a person's development. The playing field shapes the players, and vice versa- not just at the start, but throughout life" (p. 28). One of the primary ways by which 'the field shapes the player' is by influencing what and how much a 'player' aspires. Just an opportunity to hear an inspiring speech may help form a new aspiration of a high career path, which did not exist otherwise. This new aspiration can motivate a person to get better skills that he perceives to be important in following the aspired career path. It may be mentioned here that perception of lack of opportunity may dampen an individual's aspiration and the level of effort he puts in to any task. Opportunities and aspirations, thus, have a symbiotic relationship and to improve an individual's aspiration level a visible, viable opportunity is the best option.

Aspirations, as we can see in the discussion above, are formed in response to a variety of factors, and using the words of Fishkin (2014) they, "... do not emerge fully formed from the ether, but are instead products of our lived experience; they, in turn, influence other aspects of the processes by which we develop traits and capacities, convince others to recognise our capacities, prove our "merit," and secure jobs and other social roles." (p. 115). Recognition of capacities is, therefore, an important aspect in improving aspirations and hence lives. With respect to aspirations and behaviour linked to poverty, the application of the Pygmalion Effect appears to be very appropriate. The study by Rosenthal and Jacobsen (1968) shows that teacher expectations had a strong influence on student performance. Positive expectations had a positive influence on performance, and negative expectations influence the performance negatively. Rosenthal and Jacobson referred to this phenomenon as the Pygmalion Effect (presented in Figure 2).

Inspired by Robert Morten's concept (given in 1948) of 'self-fulfilling prophecy' in an individual's social and behavioural domain, Rosenthal and Babad (1985) wrote, "When we expect certain behaviours of others, we are likely to act in ways that make the expected behaviour more likely to occur." (p.36). Vis-à-vis aspirations and poverty, the Pygmalion Effect can be used to imbibe positive ideas in the minds of the poor, reinforcing them with positive feedback, and influence in a way to help them move out of the aspiration trap.

Fig. 2. The Pygmalion Effect



Mookherji (2003), Wilkinson and Pickett (2010) and Dalton et al., (2010), among many others, believe that the poverty trap is fundamentally self-perpetuating and this entrapment is firmly connected to lack of hope and aspiration failure. The poor cannot break out of this aspiration trap all by themselves. It requires drastic changes in, what Appadurai (2004) refers to as, their 'terms of recognition'. For such a change to materialise there is a need to "engage social, political, and economic issues in terms of ideologies, doctrines, and norms which are widely shared and credible, even by the rich and powerful" (Appadurai 2004:9).

5. CONCLUSION

Understanding poverty, more so poverty trap, is incomplete without examining the internal constraints the poor face in overcoming it. Poverty brings with it additional external constraints that adversely affect an individual's capacity to aspire. And to repeat Appadurai's assertion, it is the poor's lack of having the meta-capacity, the capacity to aspire, that keeps them poor. This aspiration failure exists because the poor see no genuine prospect of succeeding in anything different and better than what their compatriots are doing. Culture, religion, parental and peer influence, and socio-economic and political environment of which the poor are a part of, all play a role in forming the aspirations held by an individual. How individuals evaluate themselves and perceive others to see them are important factors in forming an opinion about oneself vis-à-vis the environment they are a part of. It is primarily the interaction of the self-concept and self-

efficacy with the material and non-material environment that generates the external self of an individual. Poor with their low self-concept are bound to suffer from aspiration failure.

Low aspirations are rational decisions by the poor, given the cognitive and non-cognitive windows that are available to them. The decisions might apparently seem contrary to the neoclassical economic theory, but it is optimisation on part of the poor. It is optimisation as poor had taken account of all pecuniary and non-pecuniary costs, including that of collecting information; any risks involved, which may be economic or social in nature; and the cost of any alternative behaviour pathway. The chosen behaviour is a product of aspirations, but the outcome achieved from this behaviour can, in turn, affect the aspirations, making it a mutually reinforcing process.

People maintain low aspirations if they feel they are incapable of achieving anything better. The policy message from this is clear. People, more so poor, would not raise their aspiration level unless the odds of them materialising improve. Along with steps to improve factors like education, skill development and health, policymakers must focus on initiatives that encourage active aspirations. While improved human capital equips people with the capacity to act, it is the active aspirations that give them the reason to act. Policymakers can, thus, help alleviate poverty by improving the aspirations of the poor and avoiding aspiration traps. Provision of viable opportunities and campaigns imbuing ideas that it is possible for them to achieve better things can be a start to help poor raise their aspirations. Such initiatives should be well informed and suitable to the specific needs of the individual, as a failure could aggravate the situation.

Understanding how aspirations are linked to people's wellbeing is at the heart of the present study. As we saw in the discussion above, aspirations are correlated with many factors in a complex and evolutionary process. Anyone interested in poverty, inequality and lack of material opportunities, should be interested in aspirations as well. Aspirations provide an opportunity to comprehend how the material and non-material constraints at a macro level interact with those at the individual level leading to the behaviour choices that are made. Once thoroughly understood it can help devise meaningful ways to overcome persistent poverty, which is a cherished goal for both economics and humanity.

REFERENCES

- Appadurai, A. (2004). The capacity to aspire. In Rao, V. and Walton, M. (Eds.). *Culture and Public Action*. Stanford University Press.
- Armor, D. A., & Taylor, S. E. (2007) *The effects of mindset on behaviour: Self-regulation in deliberative and implemental frames of mind*. Society for Personality and Social Psychology, University of California, Los Angeles
- Banerjee, A. & Duflo, E. (2007) The economic lives of the poor. *Journal of Economic Perspectives*, 21(1), 141 – 167.
- Banerjee, A., Benabou, R., & Mookherjee, D. (2006) (Eds.). *Understanding Poverty*. New York: Oxford University Press.
- Bernard, T., Dercon, S., & Taesse, A. S. (2011) *Beyond fatalism—An empirical exploration of self-efficacy and aspirations failure in Ethiopia*. (Centre for Study of African Economies Working Paper 3).

- Bernard, T., Dercon, S., Orkin, K., & Taesse, A. S. (2014) *The future in mind: Aspirations and forward-looking behaviour in rural Ethiopia*. UK Department for International Development (DFID).
- Bouwel, J. V. (2015) *Do mechanism-based social explanations make a case for methodological individualism?* (Paper presented at EPSA2015, Duesseldorf.)
- Bowles, S., & Gintis, H. (1980) Education and personal development: The long shadow of work. In E. Steiner (Ed.) *Education and american culture*. New York: Macmillan.
- Bulle, N. (2018) Methodological individualism as anti-reductionism. *Journal of Classical Sociology*, pp. 1–24.
- Chang, H. J. (2007) *Bad samaritans: Rich nations, poor policies, and the threat to the developing world*. New York: Bloomsbury.
- Dalton, P., Ghosal, S., & Mani, A. (2010). *Poverty and aspirations failure: A theoretical framework*. Presented at University of Warwick workshop on Aspirations and Poverty, February 26, 2010.
- Diecidue, E., & Ven, J. V. D. (2008) Aspiration level, probability of success and failure, and expected utility. *International Economic Review*, 49(2), 683–700.
- Duflo, E. (2006) Poor but Rational? In Banerjee, A. V., Benabou, R., and Gutman, D., Morrison, L. and Akerman, R. *Determinants of aspirations*. (Research Report 27, Center for Research on the Wider Benefits of Learning, Institute of Education, University of London).
- Fishkin, J. (2014) *Bottlenecks a new theory of equal opportunity*. London: Oxford
- Garcia, S., Harkera, A. & Cuartas, J. (2019). Building dreams: The short-term impacts of a conditional cash transfer program on aspirations for higher education. *International Journal of Educational Development* 64, 48–57.
- Genicot, G., & Ray, D. (2017). Aspirations and inequality. *Econometrica*, 85(2), 489–519.
- Heckman, J. J., & Mosso, S. (2014) *The economics of human development and social mobility*. (NBER Working Paper No. 19925).
- Hodgson, G. (1998). The approach of institutional economics. *Journal of Economic Literature* 36:1, 166–192.
- Kahl, S. (2005). The religious root of modern poverty policy: Catholic, Lutheran, and reformed protestant traditions compared. *European Journal of Sociology*, 46(1), 91–126.
- Karandikara, R., Mookherjee, D., Ray, D., & Redondo, F.V. (1998) Evolving aspirations and cooperation. *Journal of Economic Theory*, 80(2), 292–331.
- Lant, T. (1992) Aspiration level adaptation: An empirical exploration. *Management Science*, 38(5), 623–644.
- Lewin, K., Dembo, T., Festinger, L. & Sears, P. S. (1944). Level of Aspiration. In J. M. Hunt (Ed.) *Personality and the behaviour disorders*. Ronald Press.
- MacLeod, J. (1995) *Ain't no makin' it: Aspirations and attainment in a low-income neighborhood*. Boulder: Westview Press.
- Mani, A., & Riley, E. (2019) *Social networks, role models, peer effects, and aspirations*. (WIDER Working Paper 120).
- McBride, M. (2010). Money, happiness, and aspirations: An experimental study. *Journal of Economic Behaviour and Organisation*, 74(3), 262–276.

- Mookherjee, D., S. Napel, & D. Ray (2010). Aspirations, segregation, and occupational choice. *Journal of the European Economic Association*, 8(1), 39–168.
- Moulton, V. (2016). *Children's aspirations and emotional and behavioural problems*. London: UCL Institute of Education.
- Moulton, V., Flouri, E., Joshi, H., & Sullivan, A. (2015). The role of aspirations in young children's emotional and behavioural problems. *Educational Research Journal*, 41(6), 925–946.
- Munshi, K., & J. Myaux (2006). Social norms and the fertility transition. *Journal of Development Economics*, 80(1), 1–38.
- Ray, D. (2004). *Aspirations, poverty, and economic change*. (Bureau for Research in Economic Analysis of Development (BREAD) Policy Paper No. 2).
- Reeves, R. V. (2014). *Vague hopes, active aspirations and equality*. Washington: Brookings Institution.
- Rhew, E., J. S. Piro, P. Goolkasian and P. Cosentino (2018). The effects of a growth mindset on self-efficacy and motivation. *Cogent Education*, 5(1), 1–16.
- Ritchie, C., E. Flouri, and A. Buchanan (2005). *Aspirations and expectations*. (Policy Discussion Paper). Center for Research into Parenting and Children, University of Oxford.
- Schultz, T. W. (1965). Investing in poor people: An economist's view. *The American Economic Review*, 55(2), 510–520.
- Sen, A. (2002). *Rationality and freedom*. Cambridge: Harvard University Press.
- Simon, H. (1955). A behavioural model of rational choice. *The Quarterly Journal of Economics*, 69(1), 99–118.
- Sokolowska, J. (2006). Risk perception and acceptance—One process or two? The impact of aspirations on perceived risk and preferences. *Experimental Psychology*, 53, 247–259.
- Tierney, J. P., and J. B. Grossman (1995). *Making a difference: An impact study of big brothers big sisters*. Philadelphia: Public-Private Ventures.
- Tversky, A. and D. Kahneman (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263–292.
- Walker, K. A. (1997). *The aspirations formation of disadvantaged jamaican male youths*. Dissertation submitted to the faculty of Economics, the Virginia Polytechnic Institute.
- Weber, M. (1930). *The protestant ethic and the spirit of capitalism*. Translated by Talcott Parson. London: Francis and Routledge.
- Wilcox, K. and P. Moriarty (1976). Schooling and work: Social constraints on equal educational opportunity. *Social Problems*, 24(2), 204–213.