



## Green economy, green growth and sustainable development: A life blood to new generation

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### Abstract

Today world is moving towards an environmental turmoil and the only way to save our planet is to go green and sustainable. This paper aims to study the importance of going green and to analyze the strategies, challenges and policies in the way of green economy. The paper by analyzing the various studies and reports through exploratory research methods found the significance of green economy and how it leads to sustainable development at the World and Indian level. The basic goal of the article is to answer the question of what kind of relationship occurs between the concepts of green growth, green economy and sustainable development.

**Keywords:** global green economy, and green economy, environmental turmoil

### Introduction

Moving towards the green Economy, society has full potential to achieve sustainable development. It needs a fundamental rethinking of our approach to economy and there is a growing acceptance that natural environment forms the basis of our physical assets and ought to be managed as a source of growth. Today world is moving towards an environmental turmoil. The only way to save our planet is to go green In India green growth is in the stage of childhood but a lot of opportunities are available. Only thing required is determination and commitment in modern days all over the world it is famous as 'environmental' activities designed to generate and facilitate any exchanges intended to satisfy human needs or on the natural environment.

After the Global Financial Crisis, the world has decided to adopt Global Green Economy Concept with the objective of reviving the world economy, saving and creating jobs, and protecting vulnerable groups, promoting sustainable and inclusive growth, reducing risks from carbon dependency and ecosystem degradation and the achievement of the Millennium Development Goals (MDGs), 2000. It is expected, however, that a return to the path of dynamic growth will result in intensification of environmental burdens exceeding the levels recorded before the recession. To address these concerns, a new strategy for action was identified at the meeting of the OECD Ministerial Council – the so-called Green Growth Strategy, which in Polish translations of the OECD documents is also referred to as the Strategy of Ecological Development or Ecological Economic Growth (OECD, 2014, 2011b, 2011c, 2011d). As governments started devising a new international financial architecture to prevent such crises in future of this scale and ways to jump start economic recovery, they began to recognise and address the risks emanating from climate change. Green Economy is based on a set of transformative actions - ambitious and far-reaching. The transition to a Green Economy in the context of sustainable development and poverty eradication must be underpinned by an ethical

framework of shared values and principles that extend beyond the traditional technology-based economic system. According to the definition formulated by the OECD (OECD, 2011a), green growth means taking measures conducive to growth and economic development, while ensuring that natural assets continue to provide the resources and environmental services which contribute to the country's prosperity. Green growth focuses on accelerating investments and innovations that will underpin sustainable development and provide new economic opportunities.

This article is a discourse ordering issues and specifying terms connected with the so-called green growth. The basic goal of the article is to answer the question of what kind of relationship occurs between the concepts of green growth, green economy and sustainable development. Are these three ideas mutually exclusive or, on the contrary, are they logically interconnected?

### Objective of the study

- To understand the importance of going green.
- To analyze the strategies, challenges and policies in the way of green economy.

### Literature Review

In an ICRIER Working Paper, 'Low Carbon Pathways', Himanshu Gupta observed that global emissions of CO<sub>2</sub> if allowed unabatedly lead towards the irreversible path to rise in temperatures. He prescribed low carbon alternatives which can generate electricity at a sustainable rate. For an energy-secure future, the country should focus on phasing out of fossil fuels, by electrification and supply of electricity from domestically developed clean sources of energy, which might be expensive and involve risky investment decisions but will be beneficial in the long run and can generate electricity at a comparable rate. The Green Economy Approach has become necessary in view of the need for abundant non-polluting energy sources. This Approach consists of increased device

efficiency, fuel switching, decreasing energy intensity in the production process and transport sector. As stated in B. Sudhakara Reddy's article, 'India's Energy System Transition – Survival of the Greenest', for rapid dissemination of green technology, technological dynamism and innovative complementarities are necessary. It stated that the Govt. has the role of designing policies, helping scaling up of new technologies and encouraging entrepreneurial activities. Green Economy approach delivers more social benefits than costs but needs supportive policies to determine the appropriate technology and incidence of costs and benefits. The UNCTAD paper 'Are there downsides to a Green Economy', mentioned the Green Economy measures to be taken up by the Government and their probable impacts on trade and competitiveness. The paper found that while most such measures in domestic front do not have significant impact on external trade. Some measures like border carbon adjustments may have negative effects and thus related environmental taxes should be designed in a way which is non-discriminatory, yet maintains minimum environmental disciplines. The paper also pointed out about the possible legal disputes covering environmental goods in the absence of adequate World Trade Organization (WTO) regulations.

## Findings

### Green growth in world scenario

Green growth is strictly connected with the idea of green economy oriented at increased overall social welfare and social justice, at the same time considerably reducing environmental risks and ecological deficiencies (UNEP, 2011). Although the concept of green growth has recently become a notable issue on the international arena, in scientific communities it has been subject to discussions and analyses continuing for decades, in particular in the area of the so-called environmental and ecological economics. For the first time the term green economy was used in the report entitled Blueprint for a Green Economy of 1989, prepared for the government of the United Kingdom by a group of leading environmental economists (Barbier, 2009). However, apart from the title it contained no further references to green economy, thus it seems that the term was used by the authors as a kind of reflection. The concepts of green growth and green economy are linked by the fact that they are promoted as a remedy to financial and economic crisis. Their purpose is to foster the revival of an impaired global economy by aiming at investments in the market of environmental products and services and the development of "natural" infrastructure, that is, forests, water bodies or biological diversity (Lane, 2010).

According to Allen and Clouth (2012), although green economy and green growth are terms of different origin, that is, they are the result of works of different organizations and different target groups, differences between these concepts have become unclear and they are now used almost interchangeably. However, it is difficult to unambiguously agree with such an approach.

Green growth and sustainable development: In the first place, sustainable development is a concept which burst into scientific considerations of a wide spectrum of disciplines in the late 1980s as a result of the publication of the report "Our Common Future" in 1987. The report summarized the

achievements and failures of humanity in the 20th century identifying sustainable development as a possible way of improving the existing situation. According to the common and frequently quoted definition of sustainable development, this is development "that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED (UN), 1987). The concept gained decidedly more interest after the Rio de Janeiro Earth Summit (1992), which adopted a model programme for implementing sustainable development "Agenda 21". Immediately after the Earth Summit the principle of sustainable development was commonly adopted by governments and in many countries it had a significant impact on priority treatment of environmental goals (Satbyul *et al.*, 2014; UNESCAP, 2005). A number of differences can be identified between the concept of green growth and sustainable development. Firstly, sustainable development covers a wider bundle of goals. Green growth "loses" the social component, focusing on environmental and economic issues only. Secondly, green growth, as the name suggests, focuses on the category of growth and not on the growth itself which is a broader term. Green growth is only economic growth based on the utilization of the environment and can have a serious impact on the environment. Moreover, green growth is one of the solutions proposed in the face of the recent economic crisis and thus it is accompanied by other economic or social measures. In November 2010 at the G20 Summit in Seoul green growth was recognized as an integral part of sustainable development (Barbier, 2011) <sup>[3]</sup>.

### Green growth in Indian scenario

India started its development journey way back 71 years. In span of these nearly 7 decades it transformed itself from underdeveloped economy to developing economy and gradually assured into middle income country. Today India is the third largest and growing economy in Asia in terms of GDP growth. When India got independence its economy was poor and backward and development was the need of that time but India strived hard to reach its present situation. However in attaining its desired level of growth it lands itself to unsustainable zone whereby it put the future generation to the non-recovery for future. Though it was constitutionally maintained that it is the sole responsibility of the nation to protect and maintains environmental standard. Moreover in a course of development process various steps have been taken to make the growth sustainable and green. Estimates in India shows that at least 40 per cent of all violent conflicts in the world in the last 60 years have been linked to natural resources; thus India may also face similar situations in various parts of the country. Ecological services of forests, an important carbon sink, account for 7.3 per cent of India's overall GDP, but also account for 57 per cent of the GDP of the poor or the effective household income of those living below the poverty line and relying on activities like subsistence farming and the gathering of non-timber forest produce. Unmindful commercial activities cause deterioration of the natural environment having an almost immediate and drastic impact on the living conditions and livelihoods of poor people due to loss of natural assets on which they are more dependent. According to a World Bank report, 'Diagnostic

Assessment of Select Environmental Challenges in India', the annual cost of environmental degradation in India is at about Rs.3.75 trillion (US\$80 billion) equivalent to 5.7 per cent of GDP. i) According to another recent World Health Organization (WHO) survey, across the G-20 economies, 13 of the 20 most polluted cities are in India ii). India's remarkable growth record under liberalization, particularly in the last 10 years, has been ahead of the global curve, however, it has been clouded by a degrading environment and growing scarcity of natural resources. In a recent survey of 178 countries, India's environmental quality is far below all BRICS countries [China (118), Brazil (77), Russia (73), and South Africa (72)]. Studies and estimates by economists find India's growth rate to be 2.5-3 per cent lower than the reported Gross Domestic Product (GDP) of 7-8 per cent when environmental factors and human well-being are taken into account. iii) India's poverty reduction through economic growth compares poorly with that of China and Brazil. During 1981 to 2001, the population living below the poverty line (US\$1.25 per person per day benchmark) fell from a staggering 84 per cent to 16 per cent in China and from 17 per cent to 8 per cent in Brazil, while for India it was from 60 per cent to 42 per cent. In the period 1981–2001, average economic growth rates were above 5 per cent for India, while it was above 10 per cent in China. Brazil's case demonstrated that with stagnant or low growth rates during the same period (1981–2001), higher levels of poverty reduction was achievable primarily by lowering levels of inequality. India's rate of poverty reduction (1.5 per cent per year during the period 1981–2001) was lower than that of Brazil or China. In India, in spite of progress on poverty reduction, almost 400 million people continued to live below the US\$1.25 a day poverty line – the largest number of absolute poor in any country.

### Conclusion

At the UN Conference on Sustainable Development, 2012 (Rio+20 Conference), the Green Economy approach was endorsed as an important tool for sustainable development and poverty eradication where these two goals would permeate all three pillars of sustainable development. The new concept sets aside the common misconception of trade-off between economic development and environmental stewardship, because all human activity depends on the existence of a responsible framework for using environmental assets, which is more true about the poorest populations as they depend disproportionately on the ecological commons both for livelihoods and for consumption. The Green Economy responds to global economic, social and financial crises by reallocating natural, Social and financial capital into creating benefits for economic development, social equity and environmental protection. Reconciliation of short-term versus long-term priorities by adopting resource- efficient and less polluting pathway enable the countries to leapfrog the usual development trajectory avoiding future costs. By reorienting the economy to ensure a mutual synergy of economic growth and environmental protection, green growth strategies aim to support the conventional paths of economic development in a better adaptation to implementing the objectives of sustainable development. Such strategies can help build green economy

characterized by a significant increase in investment in the areas of economic activity based on and increasing the Earth's natural capital, at the same time reducing ecological and environmental deficiencies.

The key advantage of the emergence of the concepts of green growth and green economy is the fact that they stimulated international attention and renewed global efforts for transforming our present non-sustainable economic model in the direction consistent with the imperative objectives of sustainable development.

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