

Green Economy-Opportunities and Challenges in India

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Abstract: Green economy has recently emerged as a key concept on the global sustainable development agenda. Green economy is a design and remedy on sustainable development, sustainable environment and environmental balance. Over the last decade, India's rapid growth has created job opportunities and helped in improved standard of living. However, its remarkable growth record is restricted by a degrading environment and depleting natural resources, which has necessitated taking major steps to achieve a green and decarbonized economy. Green Economy is a development strategy which synergizes both economic development and ecological sustainability. However, it was only during the late 2000s global economic crisis that green economy was brought to international attention as an economic recovery strategy focused on creating "green jobs" and tackling climate change and creating real investments. Economic activities are increasingly carried out in modern conditions, a situation which is often linked to a negative impact on the environment. They have now reached such a level that they can be considered a real factor in climate formation and modelling. Such a trend has generated a lot of initiatives and strategies aimed at a green economy development. Thus, special public policy measures for the green economy and green growth have been developed and also implemented in the last few years. The analysis of the main challenges in the field of economic and environmental development, as well as the public policies for a green economy, is a real concern. More and more, the global trends for sustainable development are represented by green economy and green growth. Particular attention is focused here on establishing the kind of relationship that occurs between the green economy, green growth and sustainable development. The purpose of the present article is to present and analyze the issue of green economy, opportunities and challenges, which is a new operating strategy in India.

Key Words: Green Economy, sustainable development, decarbonized economy, strategy, policy measures.

INTRODUCTION

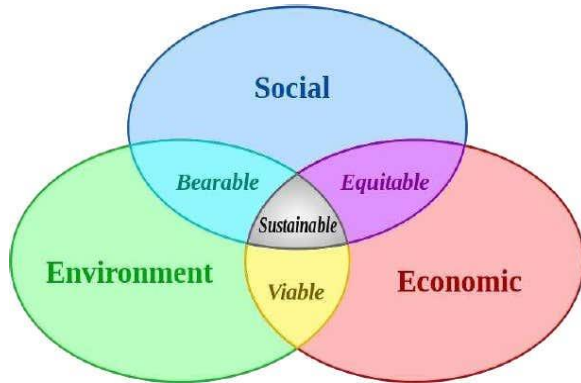
Although the past decade of rapid economic growth has brought many benefits to India, the environment has suffered, exposing the population serious air and water pollution. Environmental degradation costs India \$80 billion per year or 5.7% of its economy. Green economy strategies are needed to promote sustainable growth and to break the pattern of environmental degradation and natural resource depletion. Emission reductions can be achieved with minimal cost to GDP. The transition to green and inclusive economies has been long deliberated both at national and global level. India has recently made two major global commitments: the 2030 Global Development Agenda (popularly known as the Sustainable Development Goals) and the ratification of the Paris Agreement, which aims for holistic wellbeing of all, today and in the future, without surpassing the natural boundary limits of environment.

Meaning of Green Economy:

A clean, environmentally friendly economy that supports prosperity, health, and well-being is known as a "green economy." A sustainable economy is reliant on economic growth that promotes social justice and equity as well as the environment without sacrificing either. Serving the requirements of the present without compromising the standard of living for future generations is the goal of sustainable development.

The green economy is defined as an economy that aims at reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment. Green Economy is closely related with ecological economics, but has a more politically applied focus. The 2011 UNEP Green Economy Report argues "that to be green, an economy must not only be efficient, but also fair. Fairness implies recognizing global and country level equity

dimensions, particularly in assuring a just transition to an economy that is low-carbon, resource efficient, and socially inclusive. “There is no standard agreed definition of Green Economy. A Green Economy can be thought of as an alternative vision for growth and development; one that can generate growth and improvements in people’s lives in ways consistent with sustainable development. A Green Economy promotes a triple bottom line: sustaining and advancing economic, environmental and social well-being.



REVIEW OF LITERATURE

Martin Khor in the article, ‘Risks and uses of the green economy concept in the context of sustainable development poverty and equity ‘has mentioned in details about the risks of misuse of Green Economy concept as one-dimensional manner where stress has more been given to environmental aspects rather than the developmental and equity dimensions, He identified recognition of economic and social values of environmental resources among others as the important measures.

Bholane K. P. in the research paper ‘Policy shifts from economic growth to green growth with special reference to India ‘mentioned necessity and benefits of green growth also the policy initiatives taken by the government.

Himanshu Gupta in his research paper ‘Low Carbon Pathways ‘observed that global emissions of CO₂ 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.

Shoibal Chakravarty in his article ‘Cheap Oil, Climate Change Mitigation and India ‘finds link between oil price crash and China ‘s economic slowdown. In the

long run, growth in alternative fuel sources and rapid decrease in the price level.

OBJECTIVES OF THE STUDY

Following are the objectives of this research paper:

- 1) To comprehend the idea of the green economy.
- 2) To determine the reason for switching to a green economy.
- 3) To research the fundamentals of the green economy as well as the main obstacles therein in India.
- 4) To identify the transition to a green economy in important sectors like agriculture, construction, energy, manufacturing, transportation, and tourism.

METHODOLOGY

This research paper is based on secondary data, which is collected from various publications, journals, articles given on various websites and Government publications. This paper is a theoretical one trying to add literature on green economy. This study considers the appropriate indicators of environment, human well-being and social equity relating to a green economy of India.

Move to a Green Economy:

A green economy has following benefits:

1) Environmental Benefits:

- ✓ Supports to national and regional initiatives to solve local air, water, and soil pollution.
- ✓ Aids in attempts to address global concerns including climate change, biodiversity loss, and desertification.

2) Economic Benefits:

- ✓ Opening up of new export markets. For example, new markets for biofuels and for renewable energy technologies such as solar panels and wind turbines.
- ✓ Helps to maintain existing market share.
- ✓ Increased productivity, and increased commodity and agricultural yields.
- ✓ Improved energy security.

A green economy adopts a more sustainable path, by increasing the share of its GDP to renewable energies, clean transportation, clean technologies, green buildings, waste management, water services, sustainable agriculture and forestry. It also reduces the energy use per unit of production, as well as carbon

emissions per unit of GDP, while minimizing wasteful consumption in various sectors of the economy.

Principles of Green Economy:

Several sustainability tenets form the foundation of the green economy. Among the guiding principles are:

- 1) Every person has a responsibility to safeguard the planet and its ecosystems, according to the Earth Integrity Principle.
- 2) The "polluter pays" rule states that polluters are accountable for any environmental harm they may have caused.
- 3) The justice principle states that all parties should be equally responsible for the benefits and liabilities.
- 4) The Governance Principle: The creation of policies, rules, and regulations necessitates an open and inclusive process that involves everyone who will be impacted.
- 5) The Planetary Boundaries: Humans are straying beyond the limits of our planet's safe operating area. Scientists claim that we have already gone beyond these points in terms of both biodiversity loss and climate change.

Key Obstacles to India's Green Economy:

The main obstacles to India's green economy are as follows:

- 1) The general belief among Indian businesses and decision-makers is still that environmental conservation comes at the expense of economic development and progress.
- 2) The financial markets for green investments are still in their infancy, and the structures in place to channel capital towards ethical and sustainable projects are insufficient.
- 3) Most people believe that green technology is unreliable and expensively uncompetitive.
- 4) The idea that India cannot afford to "pollute now, clean up later" has not yet been accepted by the general public.
- 5) The ability of greening the economy to promote social progress and environmental sustainability is still not widely acknowledged.

This research study highlights three principal areas of a green economy and their indicators and the key challenges to developing a framework for metrics for a green economy.

1. Indicators of Economic Transformation: A green economy is first and foremost about transforming the way economies grow currently. Growth is typically generated from investments in high emission, heavily polluting, waste generating, resource intensive and ecosystem damaging activities. A green economy requires investment to shift towards low carbon, clean energy, waste minimizing, resource efficient and ecosystem enhancing activities. The key indicators of economic transformation, therefore, include the shift in investment over time, the consequent growth of environment friendly or environmentally enhancing goods and services and related jobs.

2. Indicators of Resource Efficiency: Principal indicators of this area include those on the use of materials, energy, water, land, changes to ecosystems, generation of waste and emissions of hazardous substances related to economic activities.

3. Indicators of Progress and Well-being: A green economy can contribute to societal progress and human well-being in two ways is, Firstly, by redirecting investments towards green goods and services and secondly by redirecting investments towards the strengthening of human and social capital. Some of the indicators of progress and well-being area include the extent to which basic human needs are fulfilled, the level of education achieved, health status of the population and the availability of, and access by the poor to social safety nets, conventional indicators of GDP, also covers calories per capita, population below poverty (USD day), Human Development Index (HDI) and employment generation from each sector. Researchers have used the following actual and appropriate indicators of a green economy from its areas, which are nearer to the original indicators.

Greening Economic Sectors in India:

Five high-impact sectors key to the Green Economy in India are Agriculture, Construction, Power, Manufacturing, Transport and Tourism.

Agriculture:

The organic farming sector in India has been undergoing a transformation over the past few years as a result of many new ventures that have disrupted the market. Organic farming was given emphasis in the Union budget of 2017. In 2015, Sikkim was named the first fully organic state in the country. This is inspiring

many other state governments to move in the same direction. Several measures have been taken by the government recently to improve and support farmers' livelihoods, especially small farmers. These include, raising minimum support prices, improving access to credit, development of climate resilient seeds as well as some technological interventions like providing Soil Health Card so farmers can judge the state of their soils. The government has also set a target to double farmer incomes by 2020.

Construction:

The construction sector is particularly resource intensive. It represents 30% of Indian electricity consumption and has a high material footprint. India ranks third in the top Ten Countries for LEED (Leadership for energy and environmental design). Further, green buildings is projected to grow 20% in the country. Fly ash utilization in the construction sector has witnessed a steady upward trend. According to Ministry of Environment, Forests, and Climate change, fly ash utilization in the country was 57% in 2014 against 13% in 1999. The Model Building Bye-Laws of 2016 mandate that all buildings on various plot sizes above 100 square meters shall comply with the green norms.

Energy:

According to a report by the UN Environment Program (UNEP), India ranked seventh in the world in terms of investment in sustainable energy. The Ministry of New and Renewable Energy targets to set up renewable energy capacities to the tune of 175 GW by 2022 of which about 100 GW is planned for solar, 60 for wind and other for hydro, bioenergy. Total installed renewable energy capacity (including large hydro projects) in India touched 114.43 GW in May 2018, which is around 33 per cent of total energy capacity of the country. In 2016, the world's largest solar plant was unveiled in Tamil Nadu with a capacity of 648 MW.

Manufacturing:

Green manufacturing in India is still at the take-off stage. While there has been significant policy development and adoption by the manufacturing industry in the area of green energy, there is substantial scope on both the policy front and its adoption in the areas of green products and green processes. Although

the country's manufacturing exports are growing, its manufacturing sector generates just 16 percent of India's GDP - much less than the 55 percent from services. Realized at its full potential, manufacturing could generate 25 to 30 percent of GDP by 2025 and create 60 million to 90 million new jobs in the country.

Transportation:

A growing trend in India's transportation sector today is the growth of on-demand transportation and carpooling platforms. These are particularly popular in urban areas and are expected to grow exponentially as Internet penetration improve. The Ministry of Road Transport and Highways signed a pact with Transport for London to revamp the public transportation in India. The ministry would act as a facilitator for states to reform public transportation with learning from experiences of public transport agencies.

Accelerating the Transition towards Green Economy in India:

In order to accelerate the transition towards green economy the following recommendations are made in 'India Green Economy Barometer 2018':

- Adopt fiscal and monetary policy instruments to that incentivize green economic activity.
- Use public procurement practices to create high-volume and long-term demand for green goods and services to encourage firms to innovate and get the advantages of economies of scale.
- Redirect investment into nature through promotion of livelihood models that maintain and enhance natural resources like land and water systems.
- Provide support in the form of incentives, risk coverage, regulatory framework, technology, and infrastructure to promote green businesses especially in the MSME sector.
- Encourage the application of clean and sustainable mechanisms for basic need provisions such as smart agriculture for food, renewable energy for electrification and green construction materials for housing.
- Build enabling conditions of affordable supply, appropriate credit, and responsive products/services that promote informed choices and uptake of basic needs like education health and hygiene.

CONCLUSION

The unsustainable way in which our natural resources are valued, used and managed is the most fundamental problem and there is need to operate within the planetary boundaries. However, these national pathways can be informed and assisted by an international framework of rules, best practices and actors. Countries like Japan, South Korea, China and Germany have already positioned themselves as green technology leaders and India should not be the perennial technology buyer. The transition to a Green Economy has a long way to go, but several countries are demonstrating leadership by adopting national “green growth” or “low carbon “economic strategies. It can be concluded that there is need for a policy shift for green reforms to enable India to achieve sustained and sustainable development. The country must prioritize investment in sectors assisting the transition to a green economy and reduce social risk related to health hazards.

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