

# Sustainable Environment and Business

Volume: 4 Issue: 1 Year: 2024  
(ISSN: 2791-2582)





Received: 11 January 2024

Revised: 23 February 2024

Accepted: 27 March 2024

DOI: <https://doi.org/10.5281/zenodo.11063806>



Article

<http://kmf-publishers.com/seb/>

## Green Economy: “The Need of the Hour”

Neha Khilwani

Correspondence  
Research Scholar  
Department of Management  
Studies  
Guru Ghasi Das (Central)  
University, Koni  
Bilaspur, Chhattisgarh  
India  
Email:  
[nehakhilwani75@gmail.com](mailto:nehakhilwani75@gmail.com)

### ABSTRACT

We are living in times where global crises- social, ecological, and economic problems are increasing rapidly, hence require novel answers. In this context, the concept of a green economy is being discussed for achieving sustainability as our environment is suffering from various hazards. Therefore, in 2012 the United Nations General Assembly decided to hold a summit in Rio de Janeiro, where the government agreed to frame the green economy as an important tool for sustainable development which helps in maintaining the functioning of ecosystems with proper economic growth, poverty eradication, and employment generation. The green economy aims to improve consumption practices and production processes to reduce resource consumption, waste generation, and carbon emissions. Green economy can restore prosperity & nature by adopting various principles by offering opportunities for green and decent livelihood, enterprise & jobs and also prioritizing access & investment to the sustainable natural systems, infrastructure, education & knowledge needed to prosper for all people. The paper stated the sustainable measures in the context of the Indian economy & it is going to have ripple effects on employment, domestic industries, trade, and agriculture which require fiscal reforms, trade patterns, skill development, and indigenous research & development for resource efficiency, etc. This paper is based on descriptive analysis and finds the importance of the development of strategies to adopt the principles of the green economy in the context of the Indian economy. The paper also finds the possible solutions to the problem faced by India while adopting the principles of a green economy. It is expected that the findings of the paper will help the policy makers for better implications of the policy and also contribute to achieving sustainable achievement in the context of the Indian economy.

**Keywords:** Green Economy, Sustainable Environment, Economic Development, Skill Development, Economic Growth

**Copyright:** 2024 by the authors. Licensee KMF Publishers ([www.kmf-publishers.com](http://www.kmf-publishers.com)). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).





## INTRODUCTION

The Indian economy is one of the fastest-growing economies in the world, hence in the global landscape, from Indian economy is seen as a bright spot. Along with this, the population of India is the second largest population in the world after China; hence Indian economy holds the responsibility to meet its billion-plus people's needs without exceeding its environmental boundaries. However, there is an inequitable distribution of wealth in India, with over 95% of the adult population having wealth less than USD 10,000, and on the other hand over USD 1,00,000 of wealth holds by 0.3 % of adults.

The economic survey 2013 has revealed that India ranks 131 out of 187 countries on the Human Development Index with a score of 0.634. There has been a 27% downfall in scores mainly caused due to disparity in health, education, and living standards within the country.

Further, there is a huge consumption demand in the country due to increasing population and urbanization which can cause serious threat to the sustainability of the environment and economic growth. According to the report of Living Planet, if India continues to consume its natural resources at the current rate, then it just 14 years, its consumption level would rise to the combined consumption of all the 34 OECD countries. Hence, there is an urgent need for economic reforms in India in the direction of fair, green, and inclusive economies. There has been long deliberation both at the global and national level about the transition to green and inclusive economics. India recently has made 2 global commitments: the ratification of the Paris Agreement aims for holistic well-being today and in the future without surpassing natural environmental boundaries and the 2030 Global Development Agenda which is popularly known as the Sustainable Development Goals.

India has also made some remarkable changes to its approach which includes fiscal federalism, shifting from a 5-year development plan to a 15-year planning model at the National level. It has also stepped towards other landmark changes by introducing a new tax regime by putting goods and services tax which gives way to a common national market as GST

combines various Central and State text into a single text region.

It has been identified in the global agenda as well as in natural development debates that exploring economic choice will lead us to the path of sustainable development. In this context, the concept of the green economy is an important approach as it holds many promises for India by linking economic growth with human development and environmental sustainability.

## GREEN ECONOMY AND IT'S APPROACH

Even after the outbreak of liberalization and globalization, we have seen that the global economy has been paralyzed and because of various ecological causes we have been forced to look at green economic models.

Following the Earth Summit, 1992 from the last 20 years the corporate-carbon-consumer axis has been the design of the global economy. Carbon has been used as a resource by various corporate houses. Various most powerful developing economies of the world including India have been committed to cutting down on carbon emissions to achieve the sustainable goal. Despite the Global agenda for sustainable development, we have witnessed a series of natural disasters from past over 20 years. Therefore, it becomes essential for large corporations to shift the focus toward green economies to generate jobs by Low-carbon emissions and to transfer and use green renewable technology- they have to design better public-private partnerships.

With various emerging environmental regulatory frameworks like Payment for Ecosystem Services (PES) and Reducing Emissions from Deforestation and Forest Degradation (REDD+), the Nagoya Protocol of Access and Benefit Sharing (ABS) are innovative financial systems that are designed for sustainable use and incentivize conservation of natural resources. The two approaches of the core of the green economy paradigm are-



- The conservation of the local community of the ecosystem and common chain resources grants rights to indigenous people as well as ensures that they are incentivized.
- Ensuring monetary and non-monetary benefits from the research and commercial use of the resources in the form of genes or carbon stocks for the community.

The green economy is defined by the United Nations Environment Programme (UNEP) in its extended version as one in which "growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency and prevent the loss of biodiversity and ecosystem services"

However, the failure and success of a green economy will largely depend on green governance as well as communities that are effectively engaged in the sustainable use and the conservation of biodiversity need to be incentivized for a green economy to work properly.

At the present stage, it becomes very important to transition into a green economy by adopting the principles of green governance. While ensuring robust green governance, it becomes a matter of concern to figure out how the private and the public sector can invest in a green economy as a green economy is considered the economy of the future.

In a multilateral agreement, the Nagoya Protocol comes forward and takes the first step to secure green governance by recognizing four key rights of the communities. They are:

- Genetic resources
- traditional knowledge associated with genetic resources
- Self-governance through customary laws and community protocols
- benefits from the utilization of their traditional knowledge and genetic resources by third parties

Our nature is considered natural capital by the green economy and hence uses it as the monetary value of

biodiversity. A green economy puts an economic value on biodiversity.

Due to the massive destruction of biodiversity and ecosystems, the poorest countries are mostly negatively affected. For the sake of personal gain, or short-term economic gain, the adverse use of land heavily affects the natural capital flow of the ecosystem. It is estimated that if all the forests in India are destroyed there would be a negative impact on India's GDP by 16% approximately.

The United Nations Conference on Sustainable Development (UNCSD) held in Rio de Janeiro in 2012 whose theme was "The Future We Want" focuses on adopting a model of green economy. It also considers that poverty reduction is one of the most significant instruments used for sustainable development in the context of the green economy. While maintaining the healthy functioning of our earth's ecosystem, the green economy should work to provide employment opportunities, improve human welfare, alleviate poverty, and sustain economic growth. It should affirm that in the context of poverty eradication and sustainable development, the policies for a green economy should be guided by Agenda 21, Rio principles, and the Johannesburg Plan of Implementation.

It has been seen that India has great potential to gear the green economy. This region is rich in distinct ethnic, and tribal communities as well as has abundant natural capital flow, they can extract various ecological benefits for its distinct crafts, all they need is financial and technical assistance to access markets & credits. There is a great scope to develop India into a sustainable Eco-tourism destination. In the modern Global community, the green economy is the need of the hour cooperating with a set of robust green governance principles to make a climate-resilient capital flow to marginalize the ecological and economic benefits of developing countries like India.

To increase resource efficiency to reduce GHG emissions, there is a need to transition to a low-carbon and resource-efficient economy which involves different methods of production among various sectors especially in the energy, agriculture, and waste management sectors as these sectors account for a



high degree of share of GHG emissions, particularly in agriculture which employs large number of Indian populations.

According to a report generated by the International Labour Organisation (ILO), it is stated that if 40% electricity of India generated from renewable by 2030, then the country will be able to generate about 3 million new jobs.

India's Spand reported on July 5, 2018, stated that renewable will have most new jobs, due to the adoption of sustainable practices which includes growth in the use of electric vehicles, change in energy mix, and increase in energy efficiency future buildings resulting in the net increase of 2.8 million jobs approximately. It is also seen that except mining industry all other sectors in the economy will see employment hike by 2030. The report further says that renewable will create 1.5 million jobs followed by 285,200 jobs in the service sector and 466,200 jobs in the construction sector. In this way, it is clear that the "green economy" can help millions of people to overcome poverty and deliver an improved standard of living to the present and future generations.

## TRANSITION TOWARD GREEN ECONOMY IN INDIA

The green economy is playing a vital role than just environmental in scope, even economic growth and development of the economy. From an economic point of view, there are many ways in which a green economy might benefit developed and developing nations.

In 2016, India positioned a low 68 out of 80 nations, regarding execution positioning, broken down in the Global Green Economy Index (GGEI), which is an information-driven examination of national green economy execution.

According to the Global Green Economy Index (GGEI), India ranked a low 68 out of 80 nations in 2016, in terms of performance ranking. GGEI is an information-driven analysis of national green economy execution.

India is positioned among the last in the environmental dimension, volatile climate, and

dimension of efficiency sectors. It any way performed well in the markets and investment measurement, falling close to the top twenty. India achieved a moderately high recognition rank of 19, (citizens' assessment of their nation execution)

**GOVERNMENT:** The 12th five-year plan of the government of India made for environmental sustainability, an important pillar of India's development and economic growth strategy. Since 1951, India has abandoned five-year plans and has rather developed a long-term vision. In addition to that, a 7-year National Development Agenda from 2017 to 2024 and a 3-year action agenda are also proposed from 2017- 2020. The 15-year vision focuses on poverty alleviation and inclusive growth and is coordinated with the period to accomplish Sustainable development growth.

Some political groups have taken up important issues around sustainability development and inclusivity during elections, however, ecological suitability issues are as a rule given just elaborate significance at the national level and featured in the natural deposit-dependent geographic areas. In the 2017 election in the Goa state found significant issues in elections i.e. adverse balance between environment and development. Citizens were shocked by the Goa state government's decision to classify coconut palms as grass and permit their commercial cutting.

**BUSINESS & COMMERCIAL ACTIVITIES:** Concern to business sustainability because of environmental change, limitations of resources, along mounting pressures from different partners are inducing organizations to make proactive steps to ensure for sustainability of operations. However, the development is not very appealing in the case of big industries. In 2016, Ten Indian Companies were ranked in the top 500 and two in the top 200 green companies in the world.

The government of India has taken MAKE IN INDIA initiative; it aims to change the employment landscape of the India through boosting manufacturing sector. The government of India has also created green energy corridor to bring in renewable energies and also make smart grids which will help the variable input of renewable energies.



India has committed above \$1 billion to this initiative and started ventures in various states such as Andhra Pradesh, Gujarat, Rajasthan, Himachal Pradesh and Tamil Nadu. Major Indian states have additionally taken to these steps to adapt to Industry 4.0, related to the manufacturing sector.

In 2016-17 the nation attracted the most noteworthy ever FDI inflow of USD 60 billion. The government has also taken the initiative Ministry of Skill Development and Entrepreneurship (MSDE). The objective of the development program is to provide training in market-relevant skills and development skills. This program is also being conducted for the entire value chain of manufacturing, beginning from rural industries to state-of-the-art manufacturing sectors. The Indian government has set an objective of training 15 million youth by 2022. The pattern of business and commercial activities adopting sustainability practices is expanding through the impetus of initiatives by industry organizations and government guidelines. This pattern is expected to quickly increase as businesses become more informed.

**CIVIL SOCIETY:** India is a nation that has a notable past, significant present, and aspiring future. The vision of sustainable development and a green economy shows the historic past of India's vibrant groups. Civil society groups have been very active in environmental and social compromises in the current development pattern, for example in Delhi where the proposal to cut 16500 trees for a development project was opposed, by civil citizen groups of Delhi and many people turned up demanding that the government should take alternative plan for this project.

In another case in Delhi, Bullet Train Project, a coalition of organizations have highlighted the activity that around 80,000 trees would have to be cut down to make way for the high-speed corridor, which is a very serious environmental issue. Terming this a "Clear Climate Negative Action" on the part of the government, the civil society group opposed and questioned its economic feasibility and sought the rollback of this project. These two incidents have shown that civil society groups have been engaging with the central and state governments to give information and insights on planning and sustainable development on themes related to a green economy.

Even though the space for a green economy is considered to be shrinking and given the tighter financing norms.

To make a strategy and plan for resource efficiency in India, the Ministry of Environment, Forest and Climate Change has set up an Indian Resource Panel with representations from Government, Business, and Civil Society.

## POSSIBILITIES OF GREEN ECONOMY IN INDIA

India, as a member of the G-20, its decision to promote a green economy is elaborated in India's 11th five-year plan (2007-12) which is linked to its overall aim for sustainability and foster prosperity. By implementing the concept of a green economy, India will be able to achieve its sustainable development goal to large extent by 2022. Using historical economic data it is found that green growth will be able to drastically change India's current economic paradigm and also lead to sustainability and prosperity for all Indians.

A recent survey shows that among 178 countries, India ranked 155th and can be considered almost last in air pollution exposure. The survey also concluded that the environmental quality of India is far below compared of all BRICS countries [Russia (73), China (118), Brazil (77), and South Africa (72)]. Also, according to a recent survey by WHO, 13 out of 20 most polluted cities across the G-20 economics are in India, poverty also remains the main cause of the degradation of the country's resources.

## KEY FINDINGS

- Green growth is considered quite affordable in India adopting various policy interventions such as environmental taxes could be used properly to yield positive health and environmental benefits with lower economic costs for India.
- To achieve sustainability, India needs to value its resources by implementing better policy decisions as India is rich in unique biodiversity and ecosystem.
- As an index of economic growth, it is imperative to calculate green Gross Domestic Product (green GDP) as conventional measures of growth do not



calculate the environmental costs adequately.

## CONCLUSION

The Accomplishment of a green economy has certain requirements. The national economic policies will be planned and actualized in incongruity. If there is an unforeseen financial crisis or economic crisis the casualty is the green economy because the advantages are visible in the long run technology transfer. Developing nations have intellectual property rights because of the research and development facilities, unlike developing countries. In this way, the integration of global advancement and technologies into green economic policies of global nations is the main issue.

The technological and advancement disparities will persist with discrimination between developed and developing nations. Another major problem is the availability of finance. The long-term investments in the green economy are limited to government funds and also the carbon capture innovation isn't accessible in developing countries like India. To advance a green economy the developed countries are in a beneficial position that permits exploitation. Nevertheless, there is a point conflict on the subsidies practices as a tool of protection. Hence long-term investments, carbon capture technology, and proper financial assistance are not available to developing nations to implement green economic policies. There is a significant demand from developing nations for adequate and new international financial resources for sustainable development.

India is a country that has an abundant natural capital flow, rich biodiversity, and abundantly rich, diverse, ethnic and tribal communities. Each community contributes to diverse ecological benefits. The problem arises when they can't extract the potential profit because of a lack of technical and financial assistance. It could be easily transformed and developed into a sustainable eco-tourism destination, as green is the need of the hour. The green economy and a set of robust green governance principles can establish a climate-resilient natural capital flow so that everyone even the underprivileged can have access to the potential economic and ecological benefits. The necessity of the green economy is to fill

the void between development and inequitable resource benefit sharing. The marginalized section of the society would not be excluded anymore by the mainstream.

## REFERENCES

1. Bhamra, A. (2018). The Green Economy Barometer 2018 India. [Greeneconomycoalition.org](https://www.greeneconomycoalition.org/sets/reports/Barometers-2018/India-Barometer-2018-Full-November-Draft.pdf). Retrieved 31 July 2020, from <https://www.greeneconomycoalition.org/sets/reports/Barometers-2018/India-Barometer-2018-Full-November-Draft.pdf>.
2. Pettinger, T. (2019). Environmental impact of economic growth - Economics Help. Economics Help. Retrieved 31 July 2020, from <https://www.economicshelp.org/blog/14598/9/economics/environmental-impact-of-economic-growth/>.
3. Bradford, A. (2018). Pollution Facts & Types of Pollution. [livescience.com](https://www.livescience.com/22728-pollution-facts.html). Retrieved 31 July 2020, from <https://www.livescience.com/22728-pollution-facts.html>.
4. Denchak, M. (2018). Water Pollution: Everything You Need to Know. NRDC. Retrieved 31 July 2020, from <https://www.nrdc.org/stories/water-pollution-everything-you-need-know>.
5. Haseena, M., Faheem Malik, M., Javed, A., Arshad, S., Asif, N., Zulfiqar, S., & Hanif, J. (2017). Water pollution and human health. Retrieved 31 July 2020, from <https://www.alliedacademies.org/articles/water-pollution-and-human-health-7925.html>
6. Alexander, D. (2020). 11 Ways Humans Impact the Environment. Retrieved 31 July 2020, from <https://interestingengineering.com/11-ways-humans-impact-the-environment>
7. Soil erosion. Retrieved 31 July 2020, from [https://en.wikipedia.org/wiki/Soil\\_erosion](https://en.wikipedia.org/wiki/Soil_erosion)



8. Chenoy, D., Gosh, S., & shukla, S. (2019). Skill development for accelerating the manufacturing sector: the role of 'new-age' skills for 'Make in India'. Retrieved 31 July 2020, from <https://www.tandfonline.com/doi/full/10.1080/14480220.2019.1639294>
9. Deepak, K. (2020). What Is A Green Economy And How Can It Help India?. Retrieved 30 July 2020, from <https://www.youthkiawaaz.com/2017/06/green-economy-exploring-sustainability-between-economics-ecosystem>
10. Kamble, P. (2016). Analysis of Green Economy Of India. North Asian International Research Journal Of Social Science & Humanities, 2(8).
11. Initiative on Green Growth and Development in India. (2013). Retrieved 30 July 2020, from <https://www.greengrowthknowledge.org/project/initiative-green-growth-and-development-india>
12. Tripathi, B. (2018). India's Transition To Green Economy Could Create 3 Million New Jobs. Retrieved 30 July 2020, from <https://www.indiaspend.com/indias-transition-to-green-economy-could-create-3-million-new-jobs-26074/>
13. Tyagi, D. (2017). Green Economy in India: Possibilities and Challenges. International Journal Of Research In Social Sciences, 7(5). Retrieved from <http://www.ijmra.us>
14. Green Growth and Sustainable Development in India. Retrieved 1 August 2020, from [https://www.teriin.org/projects/green/pdf/National\\_SPM.pdf](https://www.teriin.org/projects/green/pdf/National_SPM.pdf)
15. MARAN, R., & NEDELEA, A. (2017). Green Economy: Challenges And Opportunities. Retrieved 1 August 2020, from <https://ideas.repec.org/a/scm/ecofrm/v6y2017i3p2.html>