

Green Economy Significance: A Way to Sustainable Development

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Abstract:

The global economy has been focusing on the significance of concepts related to sustainability for more than thirty years. It is essential to comprehend the main areas that the international community can address in order to ensure sustainable development practices while addressing environmental challenges. The concept of a "green economy" highlights the potential financial benefits that global economies can experience from moving toward sustainable development. The secondary data sources used for this academic study were gathered from a variety of secondary data sources, including information found in books, journals, newspapers, reports, and other publications. The factors that drive employment and income growth in a green economy are its capacity to lower carbon emissions and pollution, enhance energy and resource efficiency, stop the loss of biodiversity and ecosystem services, and invest in infrastructure and commercial ventures. Public and private investment in these areas is crucial. To facilitate and encourage these green investments, targeted public spending, policy modifications, and tax and regulatory adjustments are all required. Employment and income growth are driven by a green economy's potential to reduce carbon emissions and pollution, enhance energy and resource efficiency, stop the loss of biodiversity and ecosystem services, and invest in infrastructure and commercial ventures. Investing both public and private funds in these fields is essential. Tax and regulatory changes targeted public spending, and policy changes are all necessary to support and encourage these green initiatives. We must make this adjustment even though it is unlikely to be easy to execute if we are to ever accomplish the Sustainable Development Goals.

Keywords: Green Economy, Green Growth, Sustainable Development, Sustainability

I. Introduction

The "green economy" was the main focus of the UN Rio+20 Conference, but during the past 10 years, the term has taken on an abundance of expressions. In recent times, the notion of a "green economy" has gained appeal as a means of safeguarding the environment, promoting well-being, and even contributing to the decrease of poverty. Despite its lack of widespread usage, the term "green economy" clearly emphasizes the financial component of sustainability. According to the UNEP, a "green economy is one that significantly reduces ecological scarcities and environmental risks, while leading to improved human well-being and social equity." A "green economy" is defined by social inclusion, lower carbon emissions, and resource efficiency.

The green economy can be viewed from three angles: theoretical and conceptual, applied and implemented, and results-measured from the latter. The period of developing strategies, creating policies, and developing development programs all benefit from the theoretical and conceptual approach. The concept of sustainable development, which has been around since the 1970s and treats the economic, social, and environmental spheres equally and inseparably, is the common thread connecting all of the definitions, despite the fact that each definition is unique and emphasizes different aspects that are important to the organization creating it. The New Green Economic Deal should externalize this interdependence of the planet's systems and the necessity of balancing the demands and interests of different generations. It will accomplish sustainable development and green growth by promoting a green economy.

It was English environmental economists who first recognized the economic dimensions of the challenge to the traditional development paradigm and the necessity of greening the economy. In order to produce goods, services, and energy without endangering the environment or the climate, their proposed "green economy" concept incorporates natural biological processes and the primary production of plants. It also highlights farming practices that maximize the use of biological processes under the influence of solar energy. Because of this, there is an inherent connection between the ideas of sustainable and balanced development and the green economy and green growth.

The conventional industrial-market paradigm of development, which failed to address the principal economic and social issues facing the globalizing world, came under intense scrutiny in the 1960s after the identification of the complex and challenging environmental issues and, a few years later, the unfavourable phenomena and consequences of climate change. The concept of sustainable development, which has been continuously refined to this day, as well as the concepts of eco-development and the "green economy," which are particularly tied to the environment, and other related ideas like "green growth," "green governance," "greening the economy," and "green transformation," emerged as a result of the recognition of these phenomena in the late 1960s and early 1970s.

In order to allow and foster these green investments, targeted public spending, modified regulations and taxation, and policy reforms are all necessary. A green economy is an all-encompassing policy agenda that prioritises social and environmental objectives alongside economic ones, and it functions as an instrument to facilitate the attainment of sustainable development. Recognizing that sustainable technology along with green businesses have the potential to propel growth in new ways is the aim of the "green economy." Green economics is an approach to economics that aims to satisfy the needs of the environment and mankind at the same time, promoting a balance between the two. A different perspective on progress and growth is the "Green Economy," which can enhance social and environmental well-being and boost economic performance while also improving the lives of those involved and the community. A green economy prioritizes people and their quality of life in addition to being closely linked to climate action and sustainably produced goods. A green economic plan should prioritize the development and adoption of sustainable technology.

II. Principles of Green Economy

1. The First Principle of Health

In a green economy, anyone can contribute to and experience wealth. The green economy keeps humanity at its core. Its aim is to achieve true, communal prosperity. The principal aim is to generate riches while promoting wellbeing. Richness encompasses every kind of capital, including social, physical, human, and natural capital, in addition to simply material riches.

2. The Jurisdiction

The green economy could promote equality both within and across eras. With no barriers to entry, the green economy is accessible to all. Women's empowerment is strongly encouraged, equitable involvement in decision-making, incentives, and costs is guaranteed, and elite capture is prevented. It decreases gaps between individuals and supports the equitable distribution of opportunity and results in addition to giving ample space for wilderness and wildlife. It diminishes gaps between individuals and supports the equitable distribution of opportunity and results in addition to giving sufficient room for wilderness and wildlife.

3. Principle of Planetary Boundaries

The eco-friendly economy invests in, regenerates, and protects the environment. There are several facets to the values of nature; they include the cultural values of nature that uphold societies, the ecological values that protect all life, and the utilitarian values of creating goods and services that fuel the economy. These ideals are acknowledged and supported by an inclusive green economy.

4. The Fourth Good Governance Principle

The green economy seeks to promote sustainable ways of production and consumption, according to the idea of efficiency and sufficiency.

The goal of an inclusive economy is to be diverse, resource-efficient, low-carbon, and circular. It acknowledges new methods of addressing the issue of producing riches within the limits of the earth in terms of economic growth.

According to the good governance idea, the green economy is led by institutions that are dependable, strong, linked, and accountable.

The three primary focuses of the present green economy are

1. This presentation will cover the principles of the Green Economy, emphasizing investments, technology, and financial accessibility.
2. Assistance in formulating and implementing macroeconomic strategies that facilitate nations' shift to environmentally sustainable economies.
3. Make use of national, sub-regional, and regional opportunities to advance the macroeconomic plan for sustainable economic growth.

III. Green Economy- Traits

In a nutshell a green economy is low-carbon, socially inclusive, and resource-efficient. The following are a few of the prominent traits:

- 1. Numerous possibilities exist for respectable green jobs with liveable wages.
- 2. A carbon price, derived from a cap-and-trade program or an economy-wide carbon tax.
- 3. Less harmful compounds and resource-intensive manufacture that is more ecologically friendly.
- 4. In recognition of all the services ecosystems provide, such as waste water treatment, flood prevention, and carbon sequestration, an appropriate value is placed on natural ecosystems and their surrounds.

IV. Importance of Green Economy:

- 1. **Promotes Development That Is Ecologically Conscious:**
The foundation of green economy is the sustainable use and repurposing of natural resources. As long as we remain stewards of the world, this ensures that natural resources will benefit both current and future generations.
- 2. **Helps Combat Climate Change:**
By steering the economy in a more environmentally friendly path, governments and the corporate sector work together to effectively mitigate climate change. It is possible that by lowering carbon emissions, the world's population may prevent many of the worst effects of global warming.
- 3. **Enhances Ecosystem Stability**
The conservation of biodiversity in ecologies worldwide is facilitated by considering environmental protections when conducting economic activity. Effective ecosystem services enable the equal preservation of plant, animal, and human life—all of which are necessary to keep the economy afloat.
- 4. **Promotes Equity**
Fair outcomes for every member of the worldwide community are the ultimate objective of sustainable finance and economic progress.

The idea of "greening the economy" refers to the process of moving away from management based on the conventional industrial-market paradigm of development and toward an inclusive development paradigm that is centred on ecological balance restoration and sustainability. Figure 1 illustrates the ideas linked to the greening process in a hierarchical sequence. It demonstrates how the green economy is connected to other ideas that support balanced and sustainable growth. The hierarchy of these links was displayed in the 2009 and 2012 (Brink et al. 2012) report, TEEB - The Economics of Ecosystem and Biodiversity for National and International Policy Makers - Summary: Responding to Value of Nature, which was also cited in other publications (Georgeson et al., 2017).

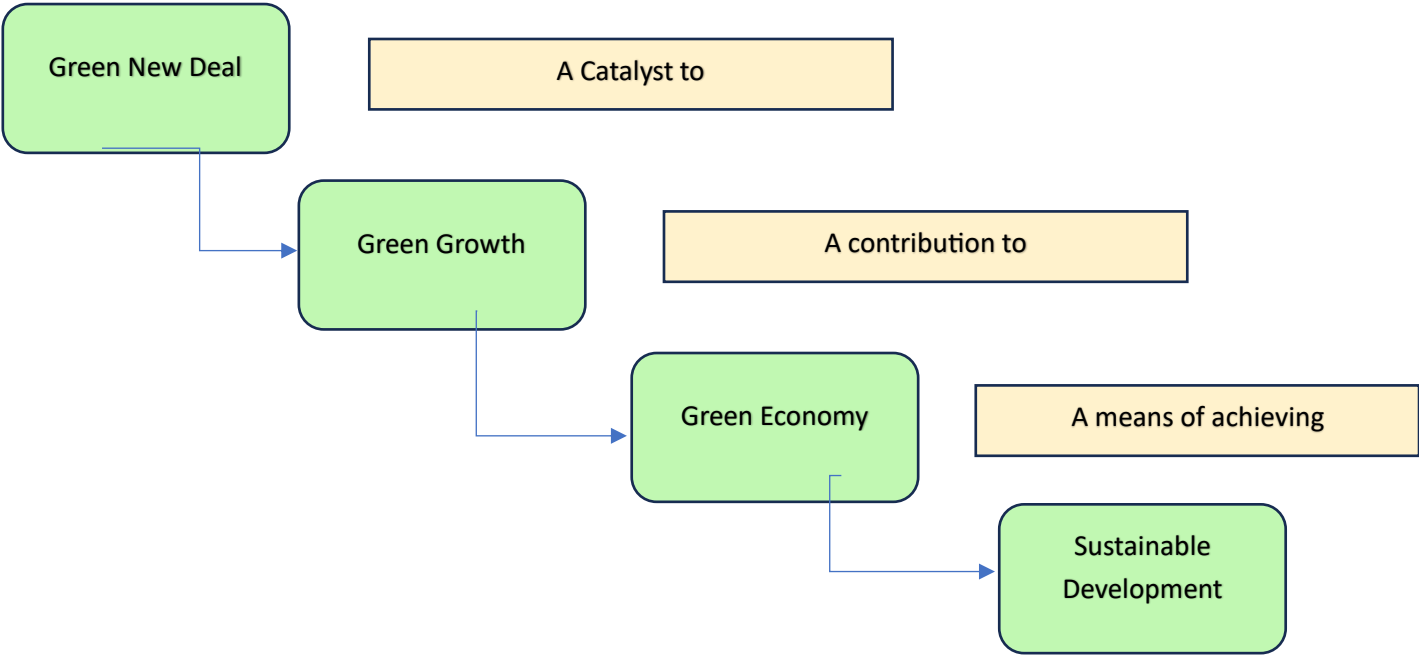


Figure 1: The hierarchy of Green Economy Concepts
Source: Adapted from the TEEB – Brink et al., 2012, Georgeson, et al., 2017.

V. Area of Focus:

Three main areas are currently the focus of effort on the green economy:

- For national, subnational, and regional economies, strengthening the macroeconomic plan is important for sustained growth.
- Exhibiting green economy practices, first emphasizing the investments, technologies, and financing options accessible for the green economy.
- Supporting countries with the creation and implementation of macroeconomic policies to ease the transition to a green economy.

It can take years for these transitions, resulting in extraordinarily complex and uncertain processes of change. The barriers and lock-ins that arise with money, behaviour, institutions, and entrenched power dynamics, together with informational and skill gaps, must be overcome for the shift to be effective.

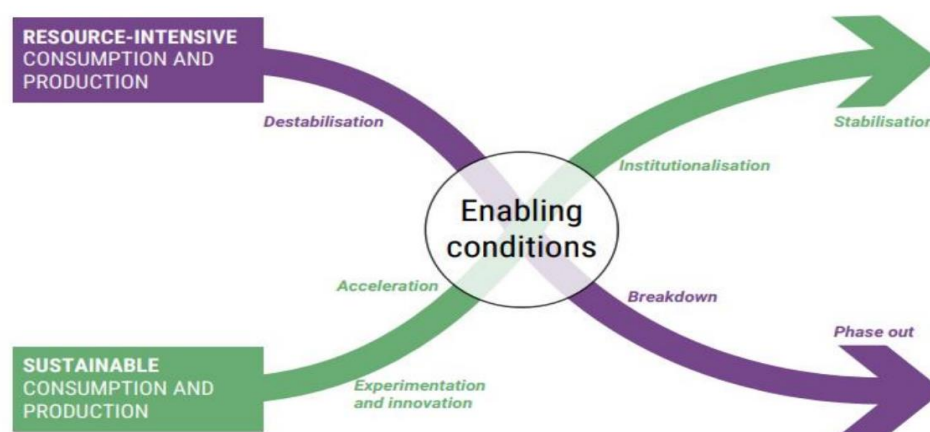


Figure 2: Strategies for transition towards sustainable resource use

Conclusion

The "green economy" idea has significance at several regulatory levels. Going green is no longer an option—it is a need in the present day. The "Green Economy" unites many concepts under one roof. A green economy is advantageous to communities, businesses, and the environment. The idea that growth, development, and well-being can result from sustainable practices undermines the concept of "green growth". The green economy is radically changing the current world order.

The government will need to make a significant change in its priorities. A single model or path to the green economy does not exist due to the complexity of the environment we live in, unique national circumstances, and development priorities of every nation. Nevertheless, in order to make the shift to a "green economy," which centres the economy around producing sustainable development, or at the very least "green" vital industries like energy, transportation, industry, agriculture, and urban infrastructure, every country will need to enact significant structural and technological changes nationwide. Furthermore, it involves "greening" investments made both locally and internationally, fostering the expansion of new "green" companies to generate "green" employment, and enforcing legislation to promote and facilitate "green" international trade.

We cannot accomplish the goals of Sustainable Development if we do not implement this shift, even though it is unlikely to be easy. Nevertheless, each country adopts a green economy at a different pace. Resources, expertise, and knowledge are critical for the shift to a greener economy.

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