



## ANNOTATION ON GREEN ECONOMY

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### ABSTRACT

Today's world population has gone across the 7 billion. In October 1999, the human population of the world reached 6 billion. Governments, scientific societies, and other organizations reacted with celebrations, but also with concern. The population had doubled in only 40 years, with most of the growth occurring in developing countries. Experts predicted that at the current growth rate of 77 million new people a year, the population would swell to 9 billion by 2050, increasing requirements for food, water, and health care in countries where basic necessities were already scarce. Furthermore much of the world's population still lives in poverty, particularly in the developing nations where population growth is most rapid. Malnutrition, lack of clean water, AIDS and other diseases, overcrowding, and inadequate shelter are very real problems for billions of people. In regions like sub-Saharan Africa, the Middle East, and Southeast Asia, lack of access to family planning services. Foregoing evolution history of world human responsible for formulate sustainable development model for green growth. Resulting UNEP organized first earth summit in Rio De Janeiro in 1992 and here after 20 years, they also organized 20<sup>th</sup> anniversary of first summit. Two of the agenda items for Rio+20 are, "Green Economy in the context of Sustainable Development and Poverty Eradication", and "International Framework for Sustainable Development". In short, researcher want to only discuss and commentary on green economy model by UNEP.

**KEY WORDS:** Green Economy, Green Growth, Sustainable Development, Poverty Eradication

## **1.INTRODUCTION**

In 2009, the UN General Assembly decided to hold a summit in Rio De Janeiro in 2012 (Rio+20) to celebrate the 20<sup>th</sup> anniversary of the first Rio Earth Summit in 1992. Two of the agenda items for Rio+20 are, “Green Economy in the context of Sustainable Development and Poverty Eradication”, and “International Framework for Sustainable Development”. With the green economy now firmly established on the international policy agenda, it is useful to review and clarify the linkages between a green economy and sustainable development. But a lack of clarity around what green economy policy measures encompass and how they integrate with national priorities and objectives relating to economic growth and poverty eradication, as well as a perceived lack of experience in designing, implementing and reviewing the costs and benefits of green economy policies.

## **2. OBJECTIVES OF STUDY**

Objective of my paper is to study the theoretical issues relating to a green economy

## **3.STATEMENT OF THE RESEARCH PROBLEM**

Today we use the conventional macro economics indicators of GDP to understanding overall economic position of a country, but GDP does not properly account for social and environmental cost and benefit. It is also difficult to achieve sustainable decision-making.

If welfare is being considered from a purely financial point of view sustainable development can be defined as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. It is therefore, it requires a clear and at the same time multidimensional indicators showing the link between a community’s economy, environment and society.

The Green Economy is a new approach rising from summit of Rio de Janeiro, 2012 (Rio+20) to celebrate the 20<sup>th</sup> anniversary of the first Rio Earth Summit in 1992. The green economy approach is an effort to focus sustainable development and poverty reduction effort on transforming economic activities and economies. Important components of this approach include the use of economic instruments, that creation of an investment-friendly environment and directing public and private investment towards building natural capital stocks. Green economy could be an overarching goal for both developed and developing countries in making future development more sustainable. While the concern of the industrialized economies is how to reduce environmental risks and keep the economy green. The concern of the developing economies is now growth can be promoted without degrading the natural resource base and with respect for the principles of low-carbon economy. Thus, all above the track of various stages of development (e.g economic transition of undeveloped to sustain development) we should be study about need of green growth for green economy.

## **4.RESEARCH METHODOLOGY**

Present research article wholly based on conceptual research methodology. Also which theoretical information relating to green economy given by author, that’s all of the information based on UNEP green economy report published in Rio De Janeiro in 2012.

## **5.CONCEPT OF A GREEN ECONOMY**

UNEP (United Nations Environment Program) defines a green economy as one that results in “Improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”. (UNEP, 2010, P.16)

In its simplest expression, a green economy is low-carbon, resource efficient and socially inclusive economy. In a green economy, growth in income and employment are driven by public and private investment that reduce carbon emission and pollution, enhance energy and resource efficiency and prevent the loss of biodiversity and ecosystem services.

These investments need to be catalyzed and supported by targeted public expenditure, policy reforms and regulation changes; the development path should maintain, enhance and wherever necessary, rebuild natural capital as a critical economic asset and as a source of public benefits. This is especially important for the poor people whose livelihoods and security depends on the nature. The key aim for a transition to a green economy is to enable economic growth and investment while increasing environmental quality and social inclusiveness. Critical to attaining such an objective is to create the conditions for public and private investment to incorporate broader environmental and social criteria. In addition, the main indicators of economic performance, such as growth in Gross Domestic Product (GDP) need to be adjusted to account for pollution, resource depletion, decline ecosystem services, and the distributional consequences of natural capital loss to the poor.

A major challenge is reconciling the competing economic development aspirations of rich and poor countries in a world economy that is facing increasing climate change, energy insecurity and ecological scarcity. A green economy can meet this challenge by offering a development path that reduces carbon dependency, promotes resources and energy efficiency and lessens environmental degradation. As economic growth and investments become less dependent on

liquidating environmental assets and sacrificing environmental quality, both rich and poor countries can attain more sustainable economic development. The concept of a green economy does not replace sustainable development, but there is a growing recognition that achieving sustainability rests almost entirely on getting the economy right. Decades of creating new wealth through a “brown economy” model based on fossil fuels have not substantially addressed social marginalization, environmental degradation and resource depletion. In addition, the world is still far from delivering on the Millennium Development Goals by 2015.

## **6.LINKAGES BETWEEN SUSTAINABLE DEVELOPMENT AND GREEN ECONOMY:**

Important linkages between the concept of green economy and sustainable development are; In 2009, the UN General Assembly decided to hold a summit in Rio de Janeiro in 2012 to celebrate the 20<sup>th</sup> anniversary of the first Rio Earth Summit in 1992. Two of the agenda items for Rio+20 are, “Green Economy in the context of Sustainable Development and Poverty Eradication,” and “International Framework for Sustainable Development”. With the green economy firmly established on the international policy agenda, it is useful to review and clarify the linkages between a green economy and sustainable development.

Most interpretations of sustainability take as their starting point the consensus reached by the World Commission on Environment and Development (WCED) in 1987, which defined sustainable development as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (WCED, 1987, P.302)

Economists are generally comfortable with this broad interpretation of sustainability, as it is easily translatable into economic terms; an increase in well-being today should not result in reducing well-being tomorrow. That is, future generations should be entitled to at least the same level of economic opportunities and thus at least the same level of economic welfare as is available to current generations. As a result, economic development today must ensure that future generations are left no worse off than current generations or as some economists have succinctly expressed it, per capita welfare should not be declining over time. According to this view, it is the total stock of capital employed by the economic system, including natural capital, which determines the full range of economic opportunities and thus well-being, available to both current and future generation.

Society must decide how best to use its total capital stock today to increase current economic activities and welfare. Society must also decide how much it needs to save or accumulate for tomorrow and ultimately for the well-being of future generations in particular. Whether current generations are using up one form of capital to meet today's needs. For example, much of the interest in sustainable development is driven by concern that economic development may be leading to rapid accumulation of physical and human capital at the expense of excessive depletion and degradation of natural capital. The major concern is that by irreversibly depleting the world's stock of natural wealth, today's development path will have detrimental implications for the well-being of future generations.

In sum, moving towards a green economy must become a strategic economic policy agenda for achieving sustainable

development. A green economy recognizes that the goal of sustainable development is improving the quality of human life within the constraints of the environment, which include combating global climate change, energy insecurity and ecological scarcity. However a green economy cannot be focused exclusively on eliminating environmental problems and resource scarcity. It must also address the concerns of sustainable development with intergenerational equity and eradicating poverty. (UNEP, 2010, P.17)

## **7. REVIEW OF RESEARCH LITERATURE**

Kadekodi, Gopal. K; Ploeg, Rick Vander; Withagen, Cees; Bartelmus, Peter; Janicke, Martin; Chen, Yungkun; Chen, Chia-Yon; Hsieh Tsuifang; Ahmad, Nesar; Muir James.F and Garnett, Stephen. T etc. authors given most of focus in his book, monographs and articles related to need and awareness of green economy model would be use for sustainable development without degrading environment, biodiversity and eco-system services.

## **8. CONCEPTUAL FRAMEWORK OF GREEN ECONOMY**

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. While countries require flexibility to meet their different needs and green economy pathway, the development and coordination of enabling conditions at the international level require some degree of standardization and comparability. (UNEP, 2011, p.3) Metrics framework of a green economy given by the UNEP with identified three principal areas and the number of indicators of a green economy, within these areas are given below.

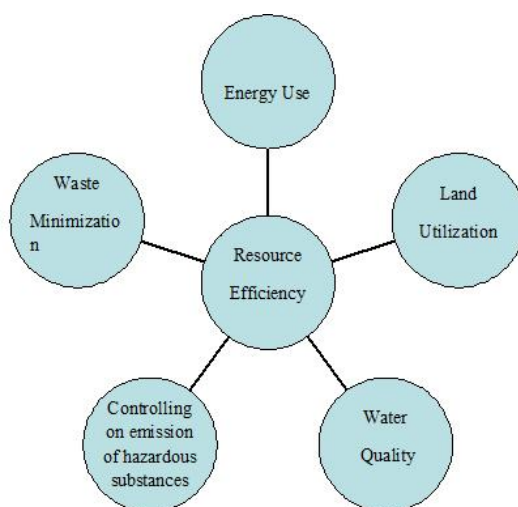
### I) INDICATORS OF ECONOMIC TRANSFORMATION

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.

### II) 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.



### III) 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.

### 9. IMPORTANCE OF THE RESEARCH STUDY

The present conceptual paper will be more important and sufficient for understanding the concept of a green

### 10. LIMITATIONS OF THE STUDY

The present research study totally excludes statistical data for prove the concept of green economy

### 11. CONCLUSION

Moving towards a green economy has the potential to achieve sustainable development and eradicate poverty on an unprecedented scale, with speed and



effectiveness. This potential derives from two concurrent changes. First, there is a changed playing field in which our world and the risks we face have materially changed. These changes require a fundamental rethinking of our approach to the economy. Second, there is a growing recognition that the natural environment forms the basis of our physical assets and must be managed as a source of growth, prosperity, and well-being.

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