

# GREEN ECONOMY



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## GREEN ECONOMY

April 2023 | Theme 376

*"The Environment and the economy are really both two sides of the same coin. If we cannot sustain the environment we cannot sustain ourselves."* - **Wangari Maathai**

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The "SIB Students' Economic forum" is designed to kindle interest in the minds of younger generation. We highlight one theme in every monthly publication. Topic of discussion for this month is **"Green Economy"**

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### Introduction:

Earth is our one and only planet of existence. Yet, based on the way we as human beings have evolved, both in the way we live and the way we do things, we have reached a point where our own planet is at threat. Today, conservation of the environment and structuring our goals in line with protection of our planet has become one of the top priorities. According to NASA, since the year 1880, the average temperature of our planet has increased at least by 1.1 degree Celsius. 22nd April 2023 is recognised as the World Earth Day and therefore let's understand the term 'Green Economy' which is popularised under the United Nations Environment Programme

### Green Economy for a Green and Healthy Planet

A Green Economy in basic terms may be understood as an economy which focuses its efforts on having better outputs without disturbing the environment through consumption of resources. This concept is not against development or consumption but only emphasises on the importance of having sustainable development and encourages consumptions of resources in a economical and efficient manner. Sustainable development means meeting the needs of the present generation of people without exhausting the resources and compromising the ability of the future generations to meet their needs.

Let us take the example of fossil fuels such as petrol or diesel. We all know that this resource not only pollutes the environment when it is used in automobiles but also is a limited resource (meaning it cannot be replenished once it is fully consumed). Therefore, an alternative to petrol being electric automobiles is proposed and encouraged which not only reduced the dependence over such limited resources but also helps to reduce pollution and other environmental disturbances associated to its extraction.

# India's International Commitment towards a Green Economy

## PM MAKES FIVE PLEDGES

- 1 India will increase its non-fossil energy capacity to 500GW by 2030
- 2 India will meet 50% of its energy requirements from renewable energy by 2030
- 3 India will reduce the total projected carbon emissions by one billion tonnes from now to 2030
- 4 By 2030, India will reduce the carbon intensity of its economy by 45% (from a previous target of 35%)
- 5 By 2070, India will achieve the target of net zero

## WHAT IS NET ZERO?

Net zero refers to a balance where emissions of greenhouse gases are offset by the absorption of an equivalent amount from the atmosphere. Experts see net zero targets as a critical measure to successfully tackle climate change and its devastating consequences

## PLEDGES BY TOP THREE EMITTERS

-  **CHINA:** Beijing announced no new pledges on Monday. It previously pledged net zero by 2060.
-  **UNITED STATES:** The US touted domestic legislation to spend \$555bn to boost renewable power and electric vehicles. It has pledged net zero by 2050.
-  **INDIA:** The country's economy will become carbon neutral by the year 2070

(Source - <https://www.insightsonindia.com>)

India as a growing nation, has been able to catch global attention in the last few years as a partner for international progress. On a global front, our nation has set a target to reduce emissions intensity of its GDP by 45% by 2030. This is in line with the long term goal announced by our nation in the COP 26 summit which held in Glasgow, United Kingdom, by the United Nations Framework Convention on Climate Change.

To support the long term goal set by the government, the Indian Railways has also pledged to become a Net Zero Carbon Emitter by 2030. Some of the initiatives undertaken by the Indian Railways are

- Increase the percentage share of renewable sources of energy in its list of resources.
- Undertaking measures to improve water use efficiency by setting up of water recycling plants, assessment of demand and supply of water to improve efficiency.
- Plantation of trees - Since 2017, Indian railways has planted 1 crore trees.
- Electrification of routes and shifting from diesel to electric traction.

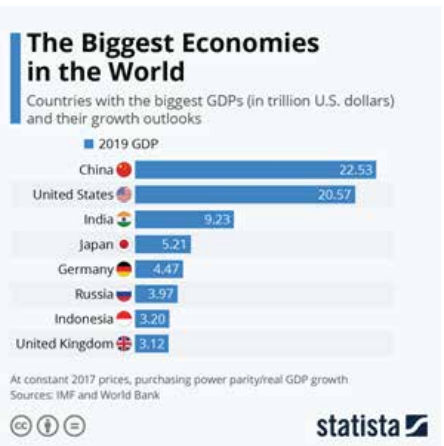
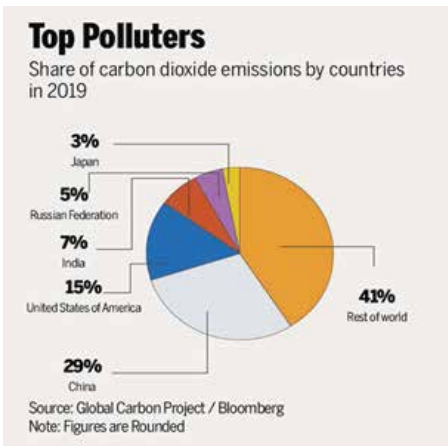
## Green and Clean – An Economic Perspective

Climate change has a direct and indirect impact on our personal lives and well as on other living creatures. According to a study published in the journal Science Advances, heat waves propelled by climate change have cost the global economy at least \$16 trillion.

On an Indian Perspective, A Deloitte Economic Institute Report has mentioned that going forward, the cost on India's Economy for Climate In-Action would be around US\$35 trillion by 2070 with an average annual loss of more than \$1.5 trillion per year. At present, our nation has a GDP of \$3.469 trillion. Therefore in simple terms it means that climate change can have a 40% loss for our economy. Imagine the situation where you work hard and earn 100 Rupees and you are asked to pay Rs 40 as a cost for bearing the impact of climate change.

A change in thought and action can help save a lot of resources and reduce the impact it creates on the environment. A simple change for incandescent bulbs to LED bulbs has helped to reduce the cost of electricity for a common man by up to 90%. Incandescent bulbs are a major source of mercury pollution and this change in lifestyle has created a WIN-WIN-WIN situation (WIN for the individual, WIN for environment and WIN for the public).

1. Subsidies for solar and other renewable resource generation projects.
2. Transition to Electric modes of transportation.
3. Missions under National Action Plan for Climate Change such as National mission for Sustainable Agriculture, Green India Mission, National Water mission etc was launched.



## Way forward

Even though all nations are in a race for progress and development, only a few have been able to create a proper track and system to ensure sustainability in development. From the images above we can understand that the biggest economies have the biggest impact on the environment and therefore have to take the biggest initiatives to fix the issue. The good news is that most of the nations have accepted that climate change need immediate attention. However, there are many debates and discussions which revolve around which nation has to take the responsibility for polluting our planet the most and be held accountable. While our leaders decide on policy, as responsible citizens of India, let us stand united and do our part to ensure that our future generations get to enjoy the fruits of nature and a beautiful planet just the way we and our forefathers have enjoyed.

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