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Green Economy: The Concept, Benefits And Dimensions

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Abstract

Green economy concept is new one but it has a great importance in sustainable development. Sustainable development is to balance our economic, environment and social interests. It is allowing prosperity for new and future generations. Green economy has recently gained significant international attention. Green economy polices have been discussed and analysed for some decades by economists and academics particularly in the field of environmental and ecological economics (Allen,C and Clouth.S,2012).

This paper tried to study the concept of green economy, it's benefits and dimensions.

Key words: green economy, sustainable development, economic growth

Introduction

In spite of the past decade of rapid economic growth has brought many benefits, the environment has suffered exposing the population serious air and water pollution. In other word, Continued resource extraction to produce industrial goods for consumers is based on the idea that high consumption is necessary for economic growth. This leads to environmental degradation and social imbalances. For this reason a transition to a Green Economy is of a great importance. It required to both foster economic growth at a local level while also driving it in a manner that is resource efficient and resilient to climate change effects. For this sense it is important to any country to pay attention to include green economy in its strategies and plans. There is an urgent need to effectively realize transformation to a low carbon globaleconomy.

Green Economy definition

According to many studies and researches, the green economy can be defined as economy that aims at making issues of reducing environmental risks and ecological scarcities, that aims for sustainable development without degrading the environment. In other word, a green economy is a clean, environmentally friendly economic that promotes health, wealth, and well-being (Pholane.k,2019). In this sense it is dependent on sustainable development which means to serve the needs of the present without threatening the quality of life for future generations. A green economy is also defined as low carbon, resource efficient and sociallyinclusive.

Relating to UN environment programme, a green economy, growth in employment and income are driven by public and private investment into such economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services(3).

Literature Review

Green economy has recently gained significant international attention. Green economy polices have been discussed and analysed for some decades by economists and academics particularly

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in the field of environmental and ecological economics (Allen,C and Clouth.S,2012).

In the context of sustainable development and poverty eradication Green economy was one of the two themes for the United Nations Conference on Sustainable Development (Rio+20). Some governments agreed, in June 2012 in Rio de Janeiro, to frame green economy as an important tool for achieving sustainable development. Governments agreed to general principles and priority areas which will guide implementation of the green economy at all levels as well as cooperation between all the Stakeholders (2). It is a call for all countries to involve in (Rio+20) to eradicate poverty and maintain sustainable development. In GGEI 2016 report, Sweden is again the top performing country. GGEI 2016 identified areas where the 80 countries can improve their green performance further. They can get opportunities that focused around innovation, green branding and carbon efficiency. They could propel their national green performance forward even more in the future. There are two majorglobalcommitments:the2030GlobalAgenda,whichisknownastheSustainable Development Goals and the ratification of the Paris Agreement, which aims for holistic well-being of all, today and in the future, without surpassing the natural boundary limits of environment.

It is mentioned in UN programme that the green investments need to be enabled and supported through targeted public expenditure, policy reforms and changes in taxation and regulation. UN Environment promotes a development path that recognises natural capital as a critical economic asset and a source of public benefits, especially for poor people whose livelihoods depend on natural resources. The notion of green economy does not replace sustainable development, but creates a new focus on the economy, investment, capital and infrastructure, employment and skills and positive social and environmental outcomes across Asia and the Pacific(2).

Objectives of the study

The researcher wants in this study to reach to certain objectives which are as the following:

1. To understand the concept of the greeneconomy.
2. To find out the answer of the question why we move to greeneconomy.
3. To clarify the benefits and dimensions of greeneconomy.

Methodology

This paper is dependent on the secondary data, which collected from UN reports ,journals, articles given on various websites. This paper is theoretical and will add a literature on the green economy.

why moves to Green Economy

Green economy is not just environmental scope ;it is also about development and economic in nature. Kishor. P. Bholane in her article “Green Economy Transition in the Context of India” addresses the following benefits:

Environmental benefits:

- Help to address global challenges such as climate change, loss of biodiversity

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anddesertification.

- Contributes to efforts at the national and regional levels to address local pollution of air, water andsoil.

Economic benefits:

- Opening up of new export markets. For example new market for biofuels and for renewable energy technologies such as solar panels and wind turbines.
- Help to maintain existing marketshare.
- Increased productivity, and increased commodity and agriculturalyields.
- Improved energysecurity.

Sustainable Development and Green Economy

The role of Green Economy in relating to Sustainable Consumption and Production and Resource Efficiency for Sustainable Development: Sustainable Consumption and Production aims to improve production processes and consumption practices to reduce resource consumption, waste generation and emissions across the full life cycle of processes and products, while Resource Efficiency refers to the ways in which resources are used to deliver value to society and aims to reduce the amount of resources needed, and emissions and waste generated, per unit of product or service. The Green Economy provides a macro-economic approach to sustainable economic growth with a central focus on investments, employment and skills(2). In this sense they are so related to achieve sustainable development. It is elaborated in figure (1)

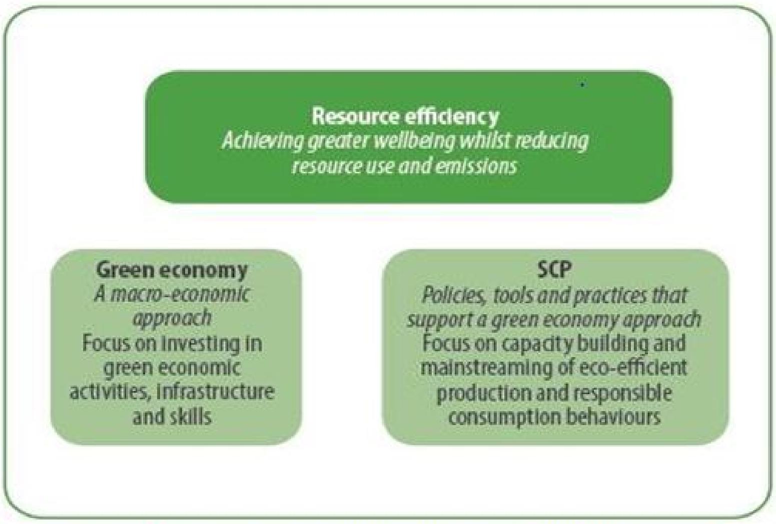

Figure (1)Source: UN Green Economy Policies ,Practices and Initiatives. Green Economy in the context of Sustainable Development and Poverty Eradication. www.sustainable development.un.org.

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Discussing this part we will reach to the three main areas for the current work on Green Economy which are:

1) Advocacy of macro-economic approach to sustainable economicgrowth through regional, sub-regional and nationalfora

2) Demonstration of Green Economy approaches with a central focus onaccess to green finance, technology andinvestments

3) Support to countries in terms of development and mainstreaming of macro- economic policies to support the transition to a Green Economy.(3).

The mentioned above, demonstrate that Green Economy does not inclusive to environment investments. It can be in different macro-economic approaches in terms of sustainable development.

Dimensions of Green Economy

According to the new GGEI 2016 some countries–including China and the United States–begin to ratify the historic global climate agreement reached attheCOP21 in Paris. This agreement offers the most promising framework yet to motivate and coordinate efforts by governments, businesses, investors and civil society to achieve ambitious emission reduction targets.

In GGEI 2016 reports mentioned the dimensions of the green economy such as the following:

Dimension 1: Leadership & Climate Change

The government leadership has a significant role to play in mainstreaming the concept of green economy and green growth. It can be stated that most of leaders, particularly heads of state, have powerful communication platforms to utilize, as well as the fiscal and policy tools that signal to the global marketplace that their country is serious about promoting green investments and industrial development.

Dimension 2: Efficiency Sectors

According to GGIE 2016, the performance of efficiency sectors - including buildings, transport, and energy - are at the root of the green economic prospects of most countries, particularly more developed ones. By transitioning to more efficient resource use in these sectors, many countries can realize productivity gains and lessen their greenhouse gas (GHG)emissions.

Dimension 3: Markets & Investment

Transitioning to a green economy will require significant public and private investment, as well as a commitment from national leaders to promote the right mix of fiscal and policy incentives to accelerate green growth.

Dimension 4: Environment

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There are seven elements defining the environment dimension of the GGEI: agriculture, air quality, water resources, water & sanitation, biodiversity & habitat, fisheries and forests.

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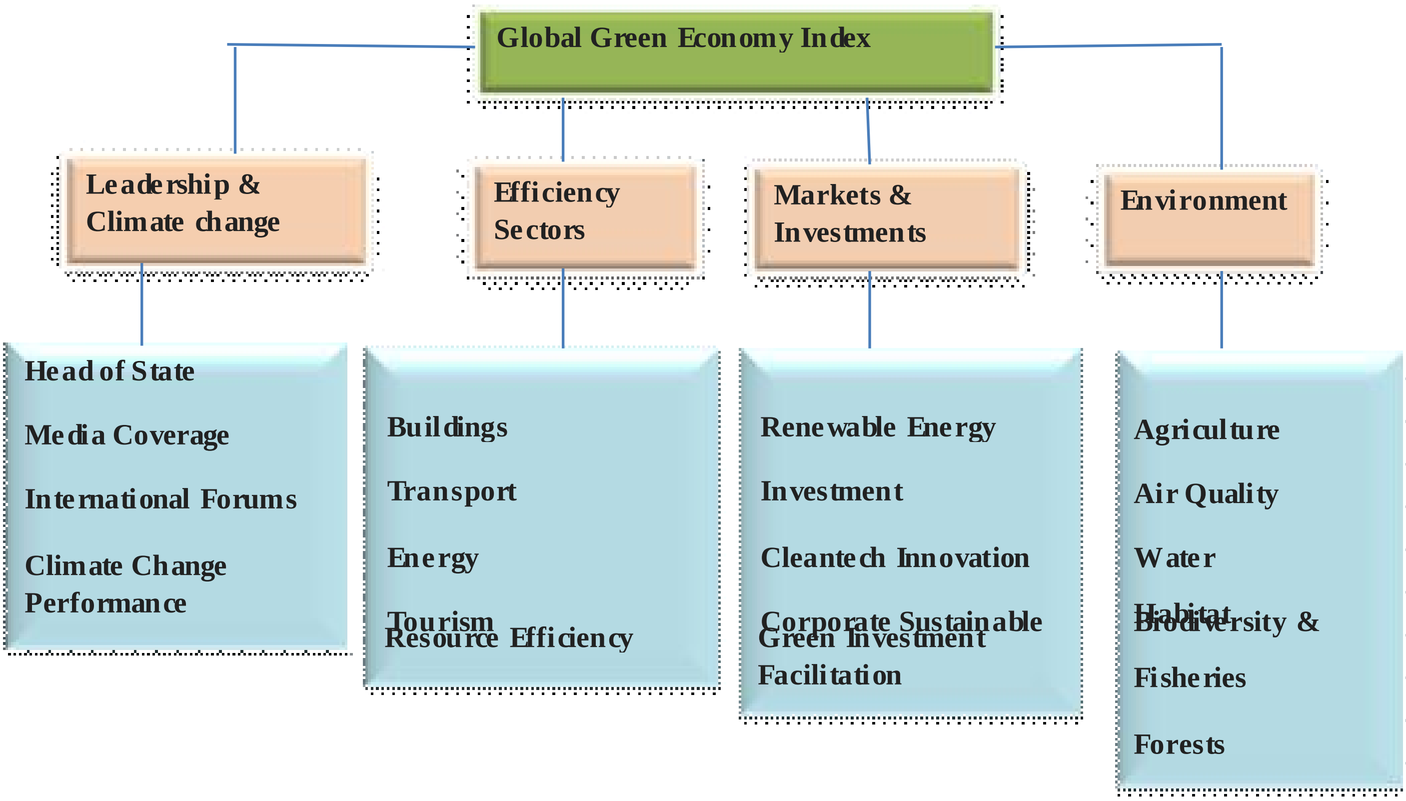

Figure 2,source: GGEI 2016

Conclusion

In brief, Green economies require green energy generation based on renewable energy to replace fossil fuels as well as energy conservation and efficient energy use. The green economy may need government works as market incentives to motivate firms to invest and produce green products and services. The German Renewable Energy Act, legislations of many other member states of the European Union and the American Recovery and Reinvestment Act of 2009, all provide such market incentives[5]. However, other experts argue that green strategies can be highly profitable for corporations that understand the business case for sustainability and can market green products and services beyond the traditional green consumer [6]

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