

GREEN ECONOMY- REGULATORY POLICY TRENDS IN INDIA

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Abstract

A Green Economy is a clean, environmentally friendly economy that promotes health, wealth, and well-being. A Green Economy is dependent on sustainable development. The Green Economy is an alternative vision for growth and development; one that can generate economic development and improvements in people's lives in ways consistent with advancing also environmental and social well-being. One significant component of a green economy strategy is to promote the development and adoption of sustainable technologies. Regulatory policies have a critical role to play in providing the foundation for accelerating the transformation towards a green economy. The purpose of this paper is to understand the key policy initiatives in making India to become a green economy. This study will explore the trends in various policy initiatives over a period of time towards making the country a green economy.

Keywords: *Economic Policy, Environmental Policy, Green Economy, Legal Policy, Regulatory Policy, Sustainable Development.*

1. INTRODUCTION AND NEED FOR THE STUDY

All around, every economy is expected to yield maximum output and efficacy. Formerly, this has resulted in creating massive wealth and helped in the eradication of poverty. However, this affluence in the economy has come at a cost – impending all the advancement achieved till date. The issues ranging from species extinction, global warming, and environmental rundown, global pandemic to political turmoil and society destabilization threatens an irreversible damage to the ecological world.

Having said this, it does not necessarily have to be this way since economies are not set in stone. A new green economy is possible if efforts in the right direction are taken to respect the nature's limits, consider well-being as a priority and accordingly invest money in initiatives that actually matter. Therefore, it is crucial to establish appropriate governance framework and design effective regulatory policies.

India constituting a large population means that national policy choices – especially on climate, carbon and the environment – will have worldwide significances. And India, does have some truly prominent legal codes on environment, inexhaustible sources of energy and measures to lessen the poverty. A low-carbon, resource-efficient, and inclusive economy is the hallmark of a green

economy. A green economy's key job creation drivers include avoiding biodiversity loss, improving energy efficiency, and assets that minimize pollution, infrastructure, and activities (Ghosh et al., 2018). India, therefore, has certainly on the one hand, produced double digit annual growth rates but on the other hand, has heavily relied upon the traditional approach of economic development by adopting lenient policies and slack regulations. Hence, questions related to inadequacy of environmental management, weak regulatory infrastructure and poor governance need to be addressed with urgency.

2. OBJECTIVES

This research paper shall explore the following issues pertaining to the creation of a green economy, focusing mainly on the regulatory policies.

This research paper, therefore, has the following objectives:

- a. To understand the trends in various policy initiatives to achieve the 'Green Economy' goal.
- b. To evaluate the suitability of the present enviro-governance structure in India.

3. RESEARCH METHODOLOGY

This research paper is a qualitative study of various recent policy initiatives in India.

4. LITERATURE REVIEW

Edward Barbier (2011), in the study, the policy challenges for green economy and sustainable economic development argues that green growth will not ensure sustainable economic development as long as global ecosystem degradation and loss means that the world continues to face worsening problems of ecological scarcity — the loss of myriad benefits, or “services”, as these systems are exploited for human use and activity.

Sinha, R., & Datta, M. (2013) paper discusses the expanded scope and wider application of the concept of sustainability. According to the authors, the whole gamut of our development process has now been looked at from a different perspective. Sustainable issues have not only surfaced in the development debates, but the business sector has also started playing a proactive role by incorporating such issues in their core strategies.

Raheel Zeb and others (2014), studied the causal links between renewable energy, environmental degradation and economic growth in selected SAARC countries. The objective of the study is to investigate the short-run and long-run causality relationship among various energy, emissions and development variables. The results of panel group indicates that GDP and poverty has a positive impact while carbon dioxide emission has a negative impact on energy production.

The Draft National Energy Policy (2017), proposed transition towards renewable energy sources. The policy also proposed to tap all sources of energy including fossil fuels and renewable sources in the coming years.

5. ANALYSIS

This section discusses the following

- General Policy initiatives and Description
- Specific policies in India

5.1 Policy Initiatives

Table 1: Policy Description

Sr. No.	Policy Name	Policy Description
1.	National Green Economy Plan	Execute a national green economy plan to align the green policies towards a balanced and all-encompassing net-zero carbon economy by 2050.
2.	Inclusive Governance	Stand up for comprehensive and gender - conscious control for commercial and community segments, together with discussion and employee participation in decision making.
3.	SDG Business Strategy	Endorse a domestic stratagem that incentivizes corporations and associations who are striving to accomplish the UN Sustainable Development Goals.
4.	Wealth Accounting	Require the advancement of an elaborate national wealth structure that reports all types of investments - anthropological, public, geological, fiscal – taking each one of them into consideration.
5.	Green Finance Plan	Dedicate to placing in order viable finance transformation, and generate surer returns for public and private funds to capitalize for the long term.
6.	Green Fiscal and Monetary Policy	Recommend financial and economic initiatives that will minimize conservational typical exposure, based on sustainability evaluations of government resources, expenditure and fiscal policy.
7.	Safe and Accountable Banks	Launch thorough assessments emphasizing monetary, ecological and societal factors for banks and financial institutions, to maximize the security that the public are being offered.
8.	Pricing Carbon	Make available robust and credible carbon pricing plans through carbon tax system or trading programs countrywide or at the state level.
9.	Green Sectoral Policy Plan	Assign an autonomous, inter-sectoral association to foster and harmonize green economy policy across key divisions; including agri-food, energy, transport, buildings, waste etc.
10.	Small Business Support	Deliver law-based and focused financial, guidance and regulatory funding to SMEs and public ventures that are building-up green and eco-friendly business standards.
11.	Carbon Budgeting	Undertake to stick to the mandatorily enforced carbon provisions that are in line with NDCs and stick to the Paris Agreement's 1.5°C goal.
12.	Clean Energy Policy	Implement goal-based medium and long-term aims for utilizing the recyclable sources of energy in ultimate consumption, and undertake to draft an equivalent clean energy financing model.
13.	Green Jobs	Reward the fact that appropriate green jobs are made available, and assist people and societies to gain access to new sources of revenue - particularly those working in brown sectors and businesses.
14.	Pro-poor Policy	Give precedence to a holistic approach pro-poor policy that decreases social inequality and economic demotion, while also preserving the ecosystem.

15.	Participatory policymaking	Regulate crystal clear and all-inclusive discussion and appraisal of government policies, concentrating on their effect on women and socially relegated parties.
16.	Innovative Social Protection	Expand citizen contribution in the new green economy through steering new methods to social security, basic revenue, and public rights.
17.	Ocean and Land Conservation	Undertake to accomplish nationally applicable SDG 14 and 15 targets, and the publication of an official enactment policy with consistent improvement measurements.
18.	Natural Capital Accounts	Yield wide-ranging natural capital accounts that differentiate between value of nature to societies, the economy, and the environment at macro-level.
19.	Natural Capital Committee	Generate a self-regulating body to impart professional assistance to government on natural capital and with a directive to recommend on the impact of budgets, planning and groundwork determinations on nature.
20.	Nature-based Fiscal Reform	Substitute financial and pecuniary strategies that harm nature with natural safeguarding and restoration guidelines, reinforced by a ring-fenced organic capital budget.

Source: Authors' compilations

5.2 Specific Policies in India

1. The *Three-Year Action Agenda* (2017-20), together with a mid-term 7-year Strategy and long-term 15-year vision, is India's expected economic strategy. It seeks to eco-friendly and stable progress, and identifies the significance of decarbonization chiefly through effective expansions and mass placement of recyclable energy, but foresees nonstop consumption of coal and does not set a net-zero objective. Climate Action Tracker recognizes India's climate plan course as being in theory 2C Compatible, presuming the set goals are met.
2. To some extent unreceptive atmosphere for NGOs and public social undertakings, with inflexible limitations, negated permits, and the absence of a strong national or local political consultation program hindering commitment, despite having plans targeted at uplifting stakeholder partaking in the cancelled 12th Five Year Plan. No guidelines on employee contribution in corporate governance.
3. No precise obligations for commercial activities and/or the organizations to account their work SDG goals, but the 2013 Companies Act mandates all companies registered under the Act to give proportionate funds dedicated to the Corporate Social Responsibility (CSR) initiatives, and the Reserve Bank of India has instituted sustainable development reporting principles for commercial banks.
4. Since 2010, India has pioneered on the global level to make public the natural wealth accounts, tracking plants, animals, water and other natural capitals, and since 2018 the Central Statistics Office has published detailed accounts covering land, water, air and minerals. Has collaborated with UN-SEEA and the CBD for the Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES).

5. Well-defined and clear-cut commitment to sustainable finance, and for providing impetus capitalize the private sector; the Federation of Indian Chambers of Commerce & Industry (FICCI) has set up a Green Bond Markets Development Council to speed up the green finance, particularly for clean energy. However, exact goals and policy objectives are deficient.
6. Commencing from the ground level, but sincerely ground-breaking green fiscal and monetary policy reforms. Aid reform under process for high-carbon sectors (including coal, oil and gas), and a Priority Sector Lending Programme launched under the central bank to finance green sectors. Perform, Achieve, Trade (PAT) is an innovative new market device instrumental in enhancing energy efficiency in rigorous productions though an energy savings certificate trading scheme.
7. Stress testing is undertaken by Indian central bank, but only financial pointers currently included: interest rates, equity and liquidity risks. No declared plans to include environmental or social risk testing.
8. No nationwide carbon pricing or trading schemes in place, despite some private sector interest in implementing a carbon market. Since 2010, a duty on coal - one of the main sources of carbon in India has been set-up; current rates are comparable to around 2 USD per tonne of CO₂.
9. No inclusive body across sectors for green policy is in place. The 12th Five Year Plan (2012-17) called for the establishment of new inter-governmental establishments to determine problems around air quality, waste, water, and forestry areas, but these have not yet been executed.
10. Government backing to SMEs is a proclaimed objective of the Three-Year Action Agenda, and small industries are a funding priority for the central bank. However, information is lacking on tangible conclusions.
11. No carbon budget in place; main decarbonization goal is to diminish the emissions intensity of its GDP by 35% by 2030 from 2005, although contemporary plans to endure construction of the coal power capacity challenge this.
12. Influential targets lately reinforced to 228 GW of renewables by 2022 and 40% clean electricity capacity by 2030; supported by immense public funds in renewables, energy efficiency, and electrification. However, severely dependent on hydropower and domestic energy strategy remains to contain new subsidized coal.
13. Social inequalities cited as a vital actionable target under the current Three-Year Action Agenda, specifically those involving sanitation, water access, and economic contribution. Skill Council for Green Jobs launched by Ministry for New & Renewable Energy and Confederation of Indian Industry in 2015.
14. Many pro-poor development programmes and immersive policies, but comparatively not much thought given to poverty and environment amalgamation. The Mahatma Gandhi National Rural Employment Guarantee Act of 2006 offers work opportunities upholding natural substructure, drainage and watersheds for around 50 million rural households, creating it the major works-based social protection strategem in the world.

15. No evidence uncovered on future public immersion in the Strategic Plan; social and inclusivity evaluation are not taken into account in the reporting governance structure. Even though most government social support programmes include precise goals for reaching women and marginalized societal clusters, methodical reporting on targets and impact evaluation is still missing.
16. Some innovative leads have been identified for new methods to social sustenance, especially around pastoral farming societies and disregarded groups, but no all-encompassing policy. Pilot programmes include coastal area reworking programs, soil health payments for farmers, and crop insurance. A form of Universal Basic Income has been initiated for testing, called the Direct Benefit Transfer scheme.
17. Very vigorous approach for SDG14, under the Blue Revolution programme, for restructuring fisheries, firming up marine research, and widening eco-friendly marine businesses. Unavailability of a SDG15 detailed plan, and SDGs more broadly are not unified into India's general economic forecasting.
18. The Green Accounting for Indian States Project (GAIST), formed in 2004, makes available to the public accounts on regional-level sustainability and all-inclusive economic measures beyond GDP. In 2018, Central Statistics Office started publishing accounts covering land, water, air and minerals.
19. No self-governing commission in existence at present, but efforts taken on natural capital methodology and technical procedure is being guided by autonomous global specialists from TEEB and GIZ.
20. A few environmental financial guidelines already established, principally administered through taxes. A tax on coal known as the Clean Energy Cess generates proceeds from coal consumption into the National Clean Energy Fund. No distinct provisions have been made for organic capital management and refurbishment.

6. CONCLUSION

A green economy is a crucial aspect of India, and it requires a robust regulatory framework. The Indian government over a period of time has come with set of policy initiatives and regulations to ensure that businesses engage in non-pollutant practices. The government has partnered with UNEP towards implementing rules and regulations in handling pollution. Regulations on the Green Economy cover land, labor, and resources to enhance better environmental practices. Green economy may seem to be a distant dream but we can observe in the Indian context, the journey has already commenced.

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