

# Transition Towards a Green Economy: The South Asian Context

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One of the main challenges to all societies is how to improve people's wellbeing in an inclusive way, and at the same time to respect planetary boundaries. Unlike many other regions, South Asia is currently undergoing rapid industrialisation and urbanisation, generating significant demand for raw materials and consequently exerting pressure on the local, regional, and global environment. It is expected that the demand and pressures will increase markedly in future.

Rapid global changes such as climate change and consequent loss of biodiversity, rising sea levels, economic crises, and food shortages will further trigger the demand for resources. In this context, the emerging concept of a 'green economy' is particularly relevant for South Asian development because it offers insights and policy measures for sustainable transformation of socioeconomic systems.

The concept of a green economy not only includes important aspects of economic efficiency and economic policy reforms (taxes, economic incentives, and investment in green technologies); it also promotes a holistic view embracing social concerns of equity, inclusiveness, and the compatibility of changes with social, cultural, and political values.

The June 2012 United Nations Conference on Sustainable Development (UNCSD), also known as the Rio+20 Earth Summit, will focus on 'Green Economy within the Context of Sustainable Development and Poverty Reduction' as one of its major themes. This essay examines important aspects of this theme for India and Bangladesh.

## Economic growth in South Asia

Economic growth in Asia, especially in the newly industrialising countries of South Asia, has been built on a process associated with structural changes in the economy marked by a shift from agricultural to industrial production followed by rapid improvements in productivity which have triggered growth in new industrial sectors and in services. Between 1971 and 2002, the industrial value added in South Asia was 5.4% (Berkout et al. 2008).

In Bangladesh, industrial growth grew from 6.5 to 8.2% from 2009 to 2010, accounting for almost a 30% share of the total economy. In the same year, manufacturing increased from 6.5 to 9.1%, reaching a share in the total economy of almost 17%.

In Bangladesh, the preliminary findings of the Household Income and Expenditure Survey of 2010 indicated that poverty declined from 40 to 31.5% from 2005 to 2010 (World Bank 2011). New consumption patterns are emerging, affecting demand not only for industrial goods, but also for food, energy, transport, housing, and other services.

All of these changes have an impact on the natural resource base and the environment (Bernardini and Galli 1993). Some scholars argue that economic growth indicators alone are an insufficient measure of human wellbeing and environmental sustainability; growth must encompass not only technological advances but also environmental quality. Herein rests the importance of promoting the concept of a 'green economy'.

## Towards a 'green' economy

By decoupling the natural resource base from economic growth and working towards a circular economic model fed by green energy technologies, jobs in the green sector, and substantial investments in environmental conservation, the economy can have a supporting role for the environment. Developing countries such as India and Bangladesh do not need to follow the pattern of resource use intensity and excessive pollution trajectories followed in previous economic transformations (Moomaw and Tullis 1994). Traditional growth models have caused deterioration in environmental quality which, at local levels, is associated with direct impacts on health and amenities (the so-called 'brown' problems).

South Asia is among the richest regions on Earth in terms of bio-cultural diversity, but this is now under threat. The region carries a heavy burden in terms of the global ecological crisis manifest in climate change and species' extinction. The melting of the Himalayan glaciers, rising



sea levels, and the intensification of droughts, floods, and cyclones aggravate the serious ecological stresses already present in the region. Despite the differences and diversity within the region, there is a common sharing of and dependency on one geographical space. During periods of catastrophe and uncertainty, the entire region needs to recognise a plurality of perspectives that will offer multiple solutions. Promotion of a pathway for green economic development on a collective basis is essential for the region.

To achieve a green economy, developing nations such as India, Bangladesh, Nepal, and others will need a green workforce to sustain it. Greening the economy in the South Asian region is going to be a protracted process involving creation of green jobs in fields such as, but not limited to, the renewable energy sector, building and construction, transport, basic industries, water, agriculture, and forests. Universities and institutes that can impart the requisite capacities and skills in young leaders are essential. In India, The Energy and Resources Institute (TERI) University is one such institute, offering interdisciplinary and multidisciplinary courses for a green brigade of young leaders.

It is expected that such leaders will bring about a 'new' green revolution in terms of sustainable development with a 'green' or low carbon economy as one of its pillars. In order to accelerate a transition from a 'brown' to a 'green economy', policy makers must establish a framework with sufficient regulatory measures and financial inputs. With the unique challenges and opportunities bestowed upon each nation, the green economy should be bolstered by an effective mix of public-private (e.g., bureaucracy and academia) partnerships in order to arrive at the mutually accepted goal of sustainable development.

Inputs from United Nations' sources indicate that the global economic crisis has exposed the flaws existing in

current economic models and assumptions throughout the world. The focus currently is on the 'new' green economy which is a concept of sustainable economic growth. India is the world's fourth largest emitter of greenhouse gases – 40% of Indian households don't have access to electricity and 56% of these are in rural areas. The costs to human health of environmental degradation in India are estimated to be US\$ 7 billion a year. Nearly three out of four rural households rely almost entirely on traditional sources of energy (animal dung and crop residues) for cooking and heating. India is both the third biggest consumer and third biggest producer of coal in the world. India's projected economic growth depends on extensive infrastructural development on both sides of the energy equation: on the supply side through production of renewable energy and fossil fuel and on the demand side through manufacturing, commercial building, IT data centres, and transportation. Availability and access to energy are considered catalysts for economic growth. A key challenge facing India is how to improve the reliability and adequacy of energy supplies while making modern energy services accessible to and affordable for the entire population.

"India is on the highway to economic growth but a green economy that does not generate 8–10 million green jobs each year is not sustainable," said Jairam Ramesh, Honourable Minister of Environment, and Forests, in June 2011. "At stake is the sustainable future of 400 million people that will be added to India's population in 30 years' time," he added (UNEP 2011). Policies and programmes promoting adoption and deployment of low-carbon technologies should play a central role in global efforts to address climate change as well as policies for reduction of greenhouse gas (GHG) emissions.

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