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Economic Transitions towards Sustainable Development for India

8th April 2017, Saturday, 10:00 am - 1:30 pm

**Seminar Hall, Azim Premji University, PES Campus, Pixel Park - B,
Electronic City, Hosur Road, Beside NICE Road, Bengaluru, Karnataka 560100**

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Economic Transitions towards Sustainable Development for India

Saturday, 8th April, 2017

Azim Premji University
Electronic City, Bengaluru

TIME	ACTIVITY
10:00 – 10:30	Tea and Registration
10:30 – 10:45	Opening Remarks
10:45 – 12:30	Introductory remarks by speakers (<i>10 minutes each</i>) Followed by moderated discussion with audience (<i>1 hour 15 minutes</i>)
12:30 – 12:45	Closing Remarks
12:45 – 13:00	Vote of Thanks
13:00 – 14:00	Lunch

Economic Transitions towards Sustainable Development for India

A study by Development Alternatives as a member of Green Economy Coalition

With a Gross Domestic Product (GDP) growth rate of 7 per cent in 2015-16, India is touted to be the world's fastest growing major economy (World Bank, 2017). However, paradox of India's story is that this economic prosperity has come at the cost of social inequalities and environmental degradation. India ranks a low 131 among 187 countries on the Human Development Index (HDRO, UNDP, 2016). According to the Global Footprint Network, India's ecological footprint exceeded its bio-capacity by 160 per cent in 2012. To make matters worse, India's development faces a very real risk of being impacted by climate change. India stands 18th in the world on the Climate Risk Index with the score of 38.50 (Kreft & Eckstein, 2013), indicating the high level of exposure and vulnerability to extreme events.

In order to move towards sustainable development that provides better quality of life for all within the ecological limits of the planet, we believe there is a need to revamp the principles governing our economic systems and define a new economy that is green, inclusive, fair, and transparent. We envision this new economy to be more resilient, equitable, low-carbon, resource efficient, and socially inclusive; where public and private investments drive growth in income and meaningful employment and reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services.

The transition to this new economy has the chance to be based on current knowledge rather than status quo assumptions of infinite growth and it trickling down to those who need it the most or of investments in environment undermining social and economic progress. Moreover, economic systems have the opportunity to help the lives of the poor and most marginalized. They can bring new sources of wealth and investment through alternative jobs and sectors and ultimately an economic system that is more resilient to withstand financial shocks and natural disasters. In order for this transition to effectively take place we believe the following systemic changes are crucial. These are:

- **Measuring What Matters:** We need to shift corporate, national and global measures of success beyond profit or GDP alone and instead make people's wellbeing and the health of the planet the yardstick of progress.
- **Influencing Financial Flows:** We need to accelerate and widen the scope of financial sector reform so that financial markets are guided by long-term goals, which redirect capital flows towards greener initiatives and ultimately towards building greener and more resilient economies.
- **Investing in People:** We need to reduce inequality and unemployment that wastes human potential and stunts innovation and redistribute our natural and financial capital in a manner that creates a more diverse economy capable of providing stable and greener job prospects.
- **Managing Natural Systems:** We need to recognize our dependence on nature for food, clean air, water, energy and raw materials and reflect that dependency in our economic activities.

While these changes need to be applied to the economy as a whole, there are some key sectoral themes where we believe these changes can yield the maximum results, especially in case of India. These are **Agriculture, Construction, Manufacturing, Power, and Tourism**. Interventions of building green-inclusive-fair-transparent economy in these areas will play a significant role in moving along India's transition towards sustainable development.

India is also amongst one the 193 member nations which adopted the United Nations sponsored Sustainable Development Goals (SDGs) and in principle aim to achieve the 17 Goals by 2030. These goals address various socio-economic and environmental outcomes from food security, employment, basic need access to water, energy, education and good health of environment including terrestrial and water ecosystems. This also includes goals on economic growth, urbanization and industrialisation to ensure these processes are in alignment to the natural and human endowments available for the well-being of people and planet. At the 2015 United Nations Climate Change Conference (COP 21 and CMP 11), India committed to transition to low carbon economy with specific targets on climate mitigation and adaptation. India aims to reduce emission intensity by 33-35 per cent by 2030 compared to 2005 levels. It aims to produce 40 percent of energy requirements through non-fossil based source of energy. India also promises to create an additional carbon sink of 2.5 to 3 billion tonnes of carbon dioxide equivalent by 2030 through additional forest and tree cover and develop robust adaptation strategies for agriculture, water and health sectors.

For India to deliver on its commitments on the SDGs and at COP 21, we believe that economic transitions are the most urgent, critical and important means of going ahead.

In order to galvanise the national political will to make this change it is imperative to first build a shared national narrative on India's transition to a new, just and green economy. We hope to do so through multiple stakeholder consultations across the nation. The purpose of this exercise is to build a shared narrative of the economy that the country collectively aspires for and that takes care of people and planetary well-being. So far, consultations around building this green economy have taken place in Lucknow (Uttar Pradesh), Gangtok (Sikkim), Pune (Maharashtra) and New Delhi with participation from civil society and non-governmental organisations, Micro Small & Medium Enterprises (MSMEs), think tanks, researchers and industries.

The upcoming discussion in Bangalore aims to address the following question:

- What are the primary obstacles India currently faces that prevent it from simultaneously achieving economic prosperity, environmental sustainability and social equity?
- How can India transition to a green, inclusive, fair, transparent economy? What are the shifts in policies, planning system and practice of government, businesses and civil society required?
- How can the government, businesses and civil society align themselves to this new development framework and work in partnership to make it a reality?
- What kind of economic principles promote planet and peoples' well-being?