



Assessing Green Growth

What is the issue?

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There is a need to assess the impact of economic growth on the environment and health to get a true picture of development.

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What is the need?

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- The latest assessment of the [IPCC](#) calls for a sense of urgency to restrain further global warming to avoid the risk of permanent damage to the planet and life on it.

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- The GDP figures released by the government in present times cannot be used for environmental accounting.

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- But, if there is a severe toll on the environment on a country's growth process, then the intrinsic value of such growth has to be reassessed.

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What are the estimates?

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- Both national and multilateral agencies are aware of the ravages already being threatened by climate change and there is an attempt to quantify it.

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- According to a World Bank report, rising temperatures and changing rainfall patterns can reduce India's GDP by 2.8% and lower living standards of nearly half the population by 2050.

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- The Agriculture Ministry has estimated that extreme weather conditions are costing India \$9-10 billion annually by impacting agricultural productivity.
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- Hence there is a need to adapt and change farming practices.
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- Despite all this, we continue to calculate GDP in a globally accepted conventional way without letting climate change imperatives affect our calculations.
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- India has also didn't change its policy so as to mitigate the consequences of climate change.
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What change does it require?

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- **Agriculture**- Assessing the total value of an economy's agricultural output in a given year has to include the intensity of water required to make that output.
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- Computations should include the quantity of water used, if two countries produce the same value of agricultural output in a particular year.
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- Also, if there is a fall in the growth of agricultural output in a particular year but ground water stock has not been depleted to the extent it was in the previous year then that positive development should get reflected in the value of output.
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- **Health** - One of the most critical area of immediate concern is the health cost of environmental pollution.
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- Delhi is in the grip of a severe deterioration in its air quality because of crop stubble being burned with impunity by farmers.
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- The decline in air quality invariably leads to a rise in respiratory ailments, apart from other longer term illnesses.
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- Though residents of Delhi have a high level of per capita income, a large part of it goes in meeting health expenditure.
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- This creates a need to take into account the health costs of environmental

pollution while calculating GDP.

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- India also suffers from a high death and disability burden among comparable countries, especially among industrialised ones.

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- Ironically, the value addition in the healthcare sector, which goes up when people fall ill more and spend more, adds to the level of GDP.

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- Thus the value of industrial output, which is a part of the GDP figure, can be adjusted for the level of disease burden in the country.

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- **Hydropower projects** - Export of power is a significant source of income for hill regions from the hydroelectric power projects.

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- But there are raising concerns of the environmental degradation that the construction of hydropower projects causes in the form of disruption of habitat for animal and plant life, soil erosion, landslides, flash floods and more.

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- The generation of hydro power lead to a commensurate cut in the burning of fossil fuel for power generation.

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- But the costs incurred in the form of environmental degradation in the future should be built into the initial output estimates by the generators themselves.

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Source: Business Line

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