

## Green growth is the need of the hour, says PM

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### Environmentally sustainable economic development a must: PM



"I am particularly happy to see my old friend and one of the most distinguished economists in the world, Prof. Sir Partha Dasgupta, leading this important initiative for us. This event is particularly timely and relevant in view of the launch of India's Twelfth Five Year Plan, which has faster, more inclusive and sustainable growth as its core objective. I believe India can and should take a leadership role in clarifying the concept of sustainable development," stated Dr Manmohan Singh at the International Workshop on Green National Accounting for India on April 06, 2013 at New Delhi.

Addressing the gathering of national and international experts in the fields of economics, statistics and environment accounting, Dr Singh mentioned further, "India's commitment to planned economic development reflects the government's determination to improve the economic conditions of our people and an affirmation of the role of the government in bringing about this outcome through a variety of social, economic, and institutional initiatives. But as the economy develops the capacity to grow rapidly, it gives rise to many new challenges. For instance, natural resources are limited, and final. And one needs to decide how to use these scarce resources optimally, both from the economic development and the sustainability perspectives."

"Often, economic policies designed to promote growth have been implemented without considering their full environmental consequences, presumably on the assumption that these consequences would either take care of themselves or could be dealt with separately. There is evidence to suggest that such policies may actually result in a net decrease in human well-being. Even though it is not easy to quantify this concept. Globally, environmental degradation is manifesting itself through the loss of fertile soils, desertification, decreasing forest cover, reduction of fresh water availability, and an extreme loss of biodiversity. These are serious consequences, and it has become clear today that economic development must be environmentally sustainable," added the Prime Minister.

Dr Singh also mentioned that as natural capital is an important component to planned investment in achieving development goals, India's Twelfth Five Year Plan has, for the first time, mainstreamed sustainability as its primary goal. The plan

document notes that economic development will be sustainable only if it is pursued in a manner which protects the environment, and that there is a need to pay greater attention to the management of water, forest and land resources.

"There has been a long-standing argument that contemporary national accounts systems do not adequately account for the costs arising out of the use of environmental and natural resources and that GDP is not the best way of measuring the true well-being of nations because the pursuit of growth can be at the cost of degradation of environment. As a possible solution to the limitations of national income accounting, integrated environmental and economic accounting has emerged as a new concept. The main objectives of this concept are segregation and elaboration of all environmental and economic accounts, linkages of physical resources accounts with monetary environmental accounts and balance sheets, assessment of environmental costs and benefits, and accounting for the maintenance of tangible wealth," said Dr Singh.