

XIII.A.4. The Challenge of Sustainable Development: Strategies for Green Growth

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Government policy has a major impact on all sorts of economic activity. The inability of our financial, political and social institutions to integrate economic, ecological and human welfare systems together leads to unsustainable pattern of development. This includes the government budgets. With the mounting national debts, the fall in the growth rate and the existing economic crisis, national and state budgets have been used more as a tool to curtail public expenditure, while honouring political commitment. Few of these commitments are consistent with the goal of sustainable development. Government budget could be used efficiently to redirect the course of the economic development towards a sustainable growth path through policy interventions, economic instruments, tax, subsidies and so on. This paper makes an attempt to review some of the strategies that have been adopted to combat the challenge of sustainable development in the developed countries and tests its applicability in-terms of the Indian context. This paper reviews also how economic instruments have been used in the developing countries by illustrating some case studies. It finally attempts to review the Indian budgetary trends to indicate the extent of "green-ness" of the Indian Budget.

India has been planning its economic development for nearly fifty years and has been incorporating the elements of the agenda 21 of the Rio Declaration of the Earth Summit into its Five-Year Plans since then. However there is a need to take a holistic approach to the incorporation of development and environmental considerations into the planning process. The Five-Year Plans and the associated Annual plans provide a ready forum for the provision of public investment support to programs of national priority and a mechanism for the regular monitoring of the mechanism for the implementation of these programs. Consequently it is anticipated that the bulk of the concerns and action plans outlined in the agenda 21 have been addressed within the existing planning process and the ongoing programs. Despite this fortuitous fit between the existing planning process and the objectives of Agenda 21 there are significant gaps which need to be readdressed. This paper also tries to test the validity of incorporating local agenda 21 in the planning process to accelerate the pace of sustainable growth. It reviews two case studies (Indonesia and Thailand) and debates on the validity of incorporating (Local Agenda 21) in the Indian planning context. The main aim of this paper is to review some of the strategies that have been adopted to combat the challenge of sustainable development so as to enable replication in developing countries, especially India.