

## Fostering green economy for a sustainable environmental development

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### Abstract:

The increase in industrial production volumes has led to a greater anthropogenic impact and environmental degradation, making it impossible for the market system to function without considering negative externalities. This article examines the principles and directions of a “green economy” as a foundation for the future development of society. It analyzes the current state and trends of environmental factors affecting other quality of life indicators, comparing developed and developing countries. The study explores effective indices and instruments that influence ecological and economic development, along with the main challenges and trends in implementing a “green economy.” It demonstrates that indicators accounting for negative externalities, are more effective than commonly used indices. The article also analyzes the economic losses from negative impacts and shows a significant decrease in per capita GDP with extensive economic development.

This paper aims to aid in developing a green economy as part of policies to reduce environmental risks during economic growth. The proposed indicators and tools for environmental and economic development, stemming from the implementation of a “green economy” as a key vector for sustainable development, can be utilized in further research and adopted by European companies.

**Keywords:** Green economy, Sustainable development, Society, Investment .

## 1. Introduction:

The advancement of technologies and the rise in human impact on the environment foster new relationships between humans and ecosystems and alter the indicators of their interaction. Increasingly, economically developed countries are distinguished not by their resource potential but by their advanced service systems, especially in the financial sector, and the high well-being of their populations, where one evaluation criterion is the environmental component. The drive for global economic growth has improved living standards worldwide. Both developing and developed countries now view gross domestic product (GDP) growth as a key indicator of success and prosperity. However, this focus on economic expansion and increased consumption has severely impacted the global environment. It has led to the exploitation of natural resources without regard for environmental consequences, prioritizing short-term financial gains over the long-term benefits of preserving valuable ecosystems. Issues such as climate change, economic instability, and the energy crisis underscore the necessity for radical socio-economic changes in 21st-century cities, promoting the so-called "green economy." This concept involves extensive use of renewable energy sources and investment in green industries. A green economy is characterized by low carbon emissions, efficient use of natural resources, and social inclusivity, providing significant opportunities for sustainable development. A green economy, particularly through the use of renewable energy, is essential for increasing income, reducing poverty, and improving the quality of life, especially in developing countries. To address this, each nation's business community must establish the necessary conditions for a green economy as a key component of the broader sustainable development framework, positioning it as a crucial response to the challenges confronting modern society.

The green economy is an approach to economic growth that aims to improve well-being and social equity while significantly reducing environmental risks and ecological scarcities. It focuses on: Sustainability: Using resources efficiently and protecting the environment for future generations, Low Carbon: Reducing greenhouse gas emissions through clean energy and sustainable practices, Social Equity: Ensuring everyone benefits from economic growth and reducing poverty, Green Jobs: Creating jobs in environmentally friendly industries like renewable energy and recycling. In essence, the green economy seeks to balance economic development with environmental protection and social well-being.

## 2. Objectives of the research:

- Discuss the relationship between green economy and sustainability of development.

- Discuss how to invest for the green economy as a solution for sustainable development and to get out the economic crisis.
- Discuss some problems related to sustainable development.
- Show principles of sustainable economy development.
- Evaluate how the adoption of green economy practices contributes to economic growth.
- Analyze the financial performance and sustainability of green industries compared to traditional industries.
- Evaluate how green economy practices contribute to environmental sustainability, such as reducing carbon emissions, conserving natural resources, and enhancing biodiversity.
- Analyze the effectiveness of current policies and regulations in promoting a green economy and their alignment with sustainable development goals
- Examine how the green economy influences social equity, focusing on whether it promotes inclusive growth, reduces poverty, and benefits marginalized communities.

### 3.Main Topic:

#### 1.3 The Notion and Definition of Green Economy:

The green economy has gained prominence over the past few decades as a significant shift in economic thinking. In light of the neoliberal economic paradigm, it is evident that a new approach is necessary, although implementing it can be challenging. There are numerous methods to halt the destruction of ecosystems and promote their restoration. A common understanding is that our global ecosystem needs to be valued differently, and investments should be made in the environment and the services it provides, which are essential for all human and economic activities. Ultimately, the development of a "green economy" is necessary.

The green economy concept is not new, but it has been increasingly mentioned over the past decade as global interest in environmental issues grows and climate change becomes a leading global concern. The UN Environment Program (UNEP) defines a green economy as one that enhances human well-being and social equity while significantly reducing environmental and ecological risks. In simple terms, a green economy is characterized by low carbon emissions, efficient resource use, and social inclusivity. Growth in income and employment in a green economy is driven by public or private investments that reduce carbon emissions and other pollutants, improve energy and resource efficiency, and prevent biodiversity loss and degradation of ecosystem services. These investments should be guided and supported by targeted public spending, policy reforms, and

legislative changes. The development framework should aim to preserve, enhance, and, where necessary, restore natural capital reserves as a public benefit, particularly for poor communities whose livelihoods and security depend on nature.

### 2.3 The Relationship between Green Economy and Sustainable Development:

The concept of a green economy does not replace sustainable development, but increasing evidence suggests that achieving sustainable development goals is heavily dependent on economic developments. Traditional economic models, which have been used for decades to create new values and well-being, have failed to address social marginalization and excessive resource consumption. As a result, we are still far from achieving the millennium development goals. Sustainability remains a crucial long-term objective, but additional efforts must be directed toward realizing a green economy to achieve this goal.

The green economy is essential for sustainable development and environmental sustainability, playing a critical role in the societal development and overall economic systems of each state.

#### **The core ideas that define sustainable development include :**

- **Ecological and Economic Integration:** Ensuring that economic development and environmental protection are integrated simultaneously in planning and implementation.
- **Environmental Protection:** Committing to reducing pollution, environmental degradation, and more efficient resource use.
- **Justice:** Meeting at least the basic needs of the current poor generations and ensuring equity between generations.
- **Future Considerations:** Explicitly considering the impact of current activities on future generations.
- **Quality of Life:** Acknowledging that people care about not only income growth but also health and life satisfaction within their societies.

### 3.3 Challenges Facing us towards improvement green economy:

-Public Awareness and Education: There is often a lack of understanding and awareness about the benefits of the green economy. Public resistance to change and insufficient education on sustainable practices can impede progress.

-Global Coordination: Environmental issues are global, requiring international cooperation. Disparities in economic development and priorities between countries can make coordinated efforts challenging.

-Social Equity: Ensuring that the transition to a green economy benefits all segments of society, especially marginalized communities, is complex. There is a risk that the costs of transitioning could disproportionately affect vulnerable populations.

-Technological Limitations: Many green technologies are still in development or are not yet widely available. Additionally, integrating these technologies into existing systems can be complex and costly.

-Economic and Political Resistance: Industries and stakeholders benefiting from traditional economic models may resist changes that threaten their interests. Political resistance can also slow the adoption of green policies.

-Infrastructure and Logistics: Developing the necessary infrastructure for renewable energy, sustainable transportation, and efficient waste management requires significant investment and planning.

Addressing these challenges requires comprehensive strategies, involving government policies, private sector innovation, public awareness campaigns, and international cooperation.

## 4.Methodology:

### 1.4 How to invest for green economy :

Investing in the green economy is crucial for sustainable development as it promotes renewable energy, reduces carbon emissions, and fosters eco-friendly practices in industries like transportation and agriculture. This not only helps combat climate change but also creates jobs and stimulates economic growth while preserving the environment for future generations. Investing in the green economy involves directing financial resources towards industries and initiatives that prioritize sustainability and environmental responsibility. This includes:

- 1) Investing in wind, solar, hydro, and other renewable energy sources reduces reliance on fossil fuels, lowers carbon emissions, and promotes energy independence.
- 2) Supporting the development of sustainable infrastructure, such as public transportation systems, bike lanes, and green buildings, enhances resilience to climate change and promotes livable communities..
- 3) Investing in sustainable farming practices, such as organic farming, agroforestry, and regenerative agriculture, improves soil health, reduces water usage, and minimizes the environmental impact of food production.
- 4) Funding research and development of clean technologies, such as electric vehicles, energy storage solutions, and carbon capture technologies, accelerates the transition to a low-carbon economy.
- 5) Promoting the adoption of circular economy principles, which aim to minimize waste and maximize resource efficiency through recycling, reuse, and product design, reduces environmental degradation and promotes economic resilience.

## 2.4 How to increase green economy and maintain sustainability

We've identified several significant trends in advancing the green economy, which should be integrated into public policy. These trends include:

- 1- Managing and processing pollutants safely to mitigate their harmful impact on the environment.
- 2- Exploring ways to use pollutants beneficially, not just through recycling but also by fostering new types of production and economic activities.
- 3- Adapting existing technologies to minimize their environmental footprint.
- 4- Introducing more eco-friendly technological processes and products, such as closed-loop systems.
- 5- Encouraging both individuals and businesses to adopt more environmentally responsible behaviors.

Efforts made by countries to mitigate the negative environmental impact of economic activities align with global trends in sustainable development. The involvement of activists and civil society organizations in these efforts indicates a shift towards greener economies. These proposed guidelines for public policies could contribute to sustainable development initiatives.

## **5. Results of study:**

### 1.5 Benefits of green economy for sustainable society:

#### A.Sustainable green economy

➤ a sustainable (green) economy contributes to:

- Strengthening co-operation on specific topics in the field of spatial development through cross-border and transnational networks.
- Improving the economic base, ecological and service infrastructure of cities, especially in underdeveloped regions, in order to increase their attractiveness for investments;
- Promoting the strategy of expanding the economy in cities that depend only on one branch of the economy and supporting the economic development of cities in underdeveloped regions;
- Strengthening of small and medium-sized cities in rural areas as centers for regional development and promotion of their networking;
- Strengthening networks between businesses and rapidly expanding innovation, especially with the help of regional institutions that can promote innovation;

- Promoting cooperation and information exchange between rural areas.

## B. Sustainable Society

### ➤ A sustainable society entails:

- Advancing integrated urban development plans that embrace social and functional variety, with a focus on addressing social marginalization and repurposing underutilized urban spaces.
- Supporting the adoption of effective measures to curb uncontrolled urban sprawl and alleviate settlement pressures, particularly in coastal regions.
- Encouraging diverse development strategies that harness local resources in rural areas to foster domestic progress, including promoting the multifaceted role of agriculture. This involves aiding rural areas through education, training, and non-agricultural job creation.
- Facilitating European-wide access to knowledge infrastructure, recognizing the socio-economic potential of modern small and medium-sized enterprises as catalysts for sustainable economic advancement.

### 2.5 Key Findings about the impact of green economy on the society:

The study on the impact of the green economy on sustainable development revealed several key findings:

- ✓ The adoption of green economy principles positively influences sustainable development by promoting environmental conservation and resource efficiency.
- ✓ Green economy initiatives contribute to economic growth while simultaneously addressing social and environmental challenges.
- ✓ Investment in renewable energy, eco-friendly infrastructure, and sustainable practices leads to job creation and enhances overall well-being.
- ✓ Implementation of policies supporting the green economy fosters innovation and drives technological advancements in clean energy and resource management.
- ✓ Collaboration between governments, businesses, and civil society is essential for maximizing the benefits of the green economy and achieving long-term sustainability goals.

### Conclusion:

Currently, the development of a green economy is a key focus in regulating economic activities to ensure sustainable development. The state's role in this process is rapidly increasing worldwide. Reducing the environmental impact of economic activities is seen as a crucial step toward developing a green economy. Today, the scale of economic activity is such that it can be considered a geological and climate-shaping factor, significantly altering human living conditions. This trend is alarming and has prompted numerous initiatives at both international and national levels to promote the green economy. These initiatives include restrictions on carbon dioxide and sulfur dioxide emissions, halting the production of substances that deplete the ozone layer, and implementing protection programs for endangered species. Therefore, addressing the main challenges in social, economic, and environmental development, along with structuring public policies to reduce the environmental impact of economic activities, is of particular concern.

The green economy represents a new global approach to crisis-resistant development for the world economy, with internationally agreed-upon strategic goals. Analysis shows that green policies worldwide are directly tied to urgent environmental issues pertinent to specific countries, as well as their levels of social, economic, technological, and innovative development. Global experience indicates that even severe environmental problems do not always ensure a responsible response from national governments, often due to limited resources. However, a high level of technological and innovative development enables governments to address environmental issues effectively, not only domestically but also globally, by supporting less developed countries. In this context, we have examined the key environmental problems of the world's top ten countries according to the Global Innovation Index, considering their main ecological challenges.

### Recommendations:

- Ensure that green economy policies are aligned with sustainable development goals (SDGs) at national and local levels. This alignment can foster coherence and consistency in achieving environmental, economic, and social objectives.
- Develop and implement financial mechanisms that support green investments, such as green bonds, carbon pricing, and sustainable



investment funds. These can mobilize private and public capital towards sustainable projects.

- Invest in and promote the development and adoption of green technologies that reduce environmental impact and enhance resource efficiency. This includes renewable energy, energy-efficient systems, and waste-to-energy technologies.
- Develop education and training programs that equip the workforce with the skills needed for green jobs. Emphasize STEM education and vocational training focused on sustainable practices..
- Promote international cooperation and knowledge exchange on best practices, technologies, and policies for sustainable development. This can involve participation in global networks, conferences, and collaborative research projects.

### **More Considerations :**

Here are some more Considerations we need to address which are related to the impact of green economy on sustainable development and sustainable society:

- Job Creation: Green economy initiatives can create new jobs in sectors such as renewable energy, energy efficiency, and sustainable agriculture. This promotes economic growth and reduces unemployment.
- Climate Change Mitigation: By reducing greenhouse gas emissions and promoting renewable energy, the green economy addresses climate change, helping to meet international climate goals
- Inclusive Growth: A green economy aims to ensure that the benefits of economic growth are distributed equitably, improving livelihoods and reducing poverty.
- Health and Well-being: Reducing pollution and promoting cleaner environments lead to better health outcomes, improving the quality of life for communities.
- Economic Transition: Shifting to a green economy may involve short-term costs and require significant changes in industries, potentially leading to job displacement in traditional sectors.
- Sustainable Development Goals (SDGs): The green economy directly supports many SDGs, such as clean energy, sustainable cities, responsible consumption and production, and climate action.

- Equitable Distribution: Ensuring that the transition does not disproportionately affect vulnerable populations is vital. Policies must be designed to support those who might be adversely impacted.
- Research and Development: Continuous investment in R&D is necessary to develop new solutions and improve existing technologies for sustainability.
- Green Technologies: Advancements in technology, such as renewable energy, energy-efficient systems, and sustainable transportation, are critical for the transition to a green economy.
- International Cooperation: Global environmental issues require coordinated efforts across countries. Sharing knowledge, technology, and resources can help achieve sustainable development goals.

In conclusions, the green economy plays a crucial role in advancing sustainable development by promoting economic growth, environmental protection, and social equity. However, it requires careful planning, inclusive policies, and international cooperation to address challenges and maximize benefits.

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