

# India and Sustainability in Global Perspective

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**Abstract:** The Sustainable economics can determine how a nation can be transformed into a prosperous one through empowering people economically, politically and socially. It ignores the inequality factor prevailing among the people and also the imprints of environmental degradation i.e. migration, poor nutrition, poverty, hunger and loss of bio-diversity. SDG, international conferences, WTO, research and development, science and innovation and United Nations are the pillars of global peace and sustainable world. This paper will highlight the India's sustainability and its economic condition in the global scenario.

**Key Words:** WTO; Sustainable development; Social welfare; SDG.

## 1. INTRODUCTION:

Humans, until 19<sup>th</sup> century thought environment is not degrading but the high use of DDT in France on fishes and the book of Richer Carlson, silent spring, gave rise to the concept of environmental degradation. With this, it became clear that environment always maintain the equilibrium and environment is resilient in form of disaster. With this, a new group of environmental friends formed i.e. club of Rome. With the help of computer simulated model they concluded that if the pace of development remains the same as it was going then in Europe the environment will degrade in upcoming 100 years. The concept of limits to growth arose and originated the problem of sustainable development in United Nations.

Development strategy provided problem because Europe was engaged in industrial development and agriculture degradation which leads to high pollution, no eco-system services and increasing non-communicable diseases. Sustainable development theory started with limits to growth stated that the present population can utilize the resources after considering the demand of the future i.e. we cannot destroy the resources indiscriminately. For the first time in 1972, US president Nixon recognized the harmful consequences by the industrialization. So, President Nixon with then Indian prime-minister Ms. Indira Gandhi met at man- environment summit, also known as Stockholm conference.

In 1986 the world countries for the first time recognize the climate change phenomena and came up with the organization estimating the climate change analysis i.e. IPCC and WMO. After 1986 world gathered at earth summit (Rio conference) which came up with Agenda 21, CCD, CBD and UNFCCC. After Rio summit in 1992, a legally binding treaty i.e. Marrakesh treaty came up as Kyoto protocol which talks about clean development mechanism and carbon credits to have focus on renewable energy and to reduce carbon footprints respectively.

To have equitable and sustainable development of recourse the world came up with the WTO, with the Arthur Dunkel proposal. It will cover the tariff, non- tariff barriers, tropical products, textile and clothing, agriculture, multilateral trade and agreement, subsidy issue, dispute settlement issues across its member countries. It has the various factors like Doha issue, Bali agreement, Nairobi conference etc.

## 2. WORLD TRADE ORGANISATION:

WTO is a multilateral organization dealing with multilateral trade and various regulations among its member countries. It has dispute resolution mechanism and promote trade in goods and services. It works with GATS, TRIPs, TRIMS, AOA, and MIGA to promote fair trade related issues. Agriculture is a primary economic activity. This activity is creating base for any economy whether developed or developing. In agriculture support there are two types of subsidies:

1. Direct Subsidy. (In form of cash)
2. Indirect Subsidy. (In form of kind)

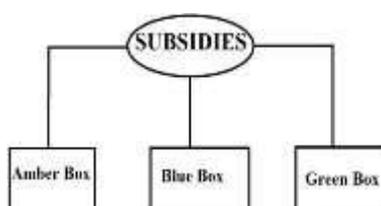


Fig.1: WTO subsidies

Direct subsidy is considered to be the trade distorted while indirect subsidy is not. WTO has classified subsidies in the three boxes as described in the fig1. Amber box subsidies are considered to be the direct subsidies but trade distorted. It says that world can stop it. Blue box is related to the production i.e. enhancement of produce at a particular year. It includes both direct and indirect subsidies. It is for one season or for two. Green box is opposite to amber box and this is considered to be the kind subsidy, therefore it cannot be distorted and hence can enhance the quality of agriculture.

If country wants to provide subsidy of amber box then it has to consider aggregate measurement of support (AMS), which is the average of the three boxes and should not be greater than 10% of the GDP. India's controversy at global level started with the passage of India's food security act, 2013. US claimed that India is providing higher amber box subsidy. This all came with the introduction of MSP in Indian economy, which is considered to be the direct subsidy. India passed it because it was guided by the sustainable development goals of eliminating the hunger and poverty. US calculated the subsidy with the base year of 1985-86, of which India was not in favor, and agitated against the India. This trade related issue came up with the fight of developed vs. developing. So, this sunset clause was encountered at Bali with the deadline of 2020. Yet developed ones are not providing accessibility to market for the developing ones and developing ones are supporting Bali declaration as they want to reduce poverty and hunger in their respective countries. In this logjam US government of Obama came up with the peace clause which is still the matter of concern in WTO.

Doha issue is also prevailing in WTO which highlight Special Safeguard Mechanism (SSM) and Non-Agricultural Market Access (NAMA). SSM is demanded by developing countries and includes the tariff barriers like custom duty, counter-veiling duty and anti-dumping duty and non-tariff barriers like fixing quota and phytosanitary measures. NAMA was demanded by developed ones from developing ones. Developed ones are allowed agricultural products only if they provide open market for industry.

WTO recently in Buenos Aries, came up with Trade Facilitation Agreement in goods for ease of doing business and Trade Facilitation Agreement in service for health and higher education. It also came up with New Issues like e-commerce, labor laws, environmental laws and patent issue. TRIMS promote FDI in any country and can dilute or control restriction and remove the trade obstacle to promote investment. TRIPS is for the product patent and genuineness.

But recently in Argentina, the developed ones are ignoring the peace clause and permanent solution and focusing on e-commerce, investment facilitation, micro, small and medium enterprises and gender issue of women empowerment. Although India is in the condition that it can ignore the peace clause but it should stick to the permanent solution for the development of the developing and under-developed nations.

It was explicitly stated under the WTO Agreement that Trade which is conducted among the countries should be relatable and should follow the norms of SD (Sustainable Development). It has also been acknowledged under the agreement that trade is a route for achieving SD and trade is not an end in itself. So, now is the time for member countries of WTO to stick to the mentioned objective of WTO so as to achieve some bit of success in the field of SD in the long run.

A summit in UN was also conducted on 'trade and sustainable development' in 2015 in which the UN proposed some important views towards achieving SD through endorsement of '2030 Agenda for Sustainable development' by the member states of the UN. There were 17 proposed goals and 169 targets which were the outcome of the proposed agenda in the summit and the main aim of these targets and proposed goals was towards evolution of a more equitable and sustainable world by exhilarating the actions for the next 15 years. The agenda also puts a significant emphasis on the trade and also recognizes that trade will play a significant role in achieving SD. The 17 proposed goals were the major content of the agenda which look forward for promoting universal, non-discriminatory and equitable multilateral trading system under the WTO.

### **3. CLIMATE CHANGE SUSTAINABLE INITIATIVE:**

From the formation of club of Rome to the earth summit conference the world has seen major initiatives for the sustainable world vis-à-vis sustainable environment. After the Rio summit (5 year later) in 1997 a legally binding treaty i.e. Marrakesh treaty came up as Kyoto protocol which talks about clean development mechanism and carbon credits to have focus on renewable energy and to reduce carbon footprints respectively. After Kyoto, the Common but the Differentiated Responsibilities (CDR) issue came at Copenhagen. It covered the technology transfer and money transfer mechanism. After Copenhagen, the world countries formed the Green Climate Fund where all the developed and emerging economies can contribute in this fund. It was of 1 billion dollar fund which will work for the promotion of renewable infrastructure and provide the subsidized renewable technology. After this the Durban platform for action came up with the Kyoto protocol 2 to set the timeline for the Kyoto protocol. It concluded with the drafting of Kyoto protocol 2 and the clause by clause discussion of it. It also recommended that the world temperature cannot increase beyond 2 degree Celsius by the end of 21<sup>st</sup> century. Also, by 2020, 100% implementation of Kyoto protocol 2 and operationalization of Green Climate Fund with the provision that developed and developing countries can solve the problem of CDR via individual goals. After this, the world countries saw the concept of lost & damage and climate

justice for the sustainable world. Paris accord recently deals with the provisions of Intended Nationally Determined Goals (INDG) in which 40% share of energy out of total energy should come from renewable energy and carbon storage i.e. carbon sequestration of 2.5- 3 billion tones through afforestation. The world countries also to reduce carbon intensity to 33-35% by 2030 in comparative level from 2005. Paris issue also came up with the formation of International Solar Alliance (ISA) and CTCN, India is signatory to both.

Today environment is vitally accepted as a major issue for the varying survival of humans and other life forms the world over with the serious social ramification. At present there are issues on which there is general agreement with regard to environment as:

- Environment is a common concern for both industrial and developing countries although problem resulting from poverty and affluence are different.
- The solution of environment problem can easily be achieved through international cooperation.
- Integration of economic growth and environment protection must be done according to the sustainable development approach.

#### 4. TECHNOLOGY TRANSFER AND INTERNATIONAL COOPERATION:

Bilateral and multilateral cooperation between different countries of the world can help to achieve the sustainability in various fields like agriculture, energy, aviation, defense, cyber justice, science & technology and research & development. India has maintained its natural and strategic partnership with various countries of the world. Russia and France are used to be the defense partner of India since a long time. Israel and Japan are used to be the technology provider for India. Recently the technology transfer to India by Israel of the machine which desalinate the water could be a major step in water conservation and hence the sustainable use of resources. India's initiative of national investment and manufacturing policy, 2011 could be major step for the sustainability as:

- It seeks to empower rural youth by imparting necessary skills to make them employable.
- It focusses on sustainable development as an integral part to the policy formation
- It gives special attention to the technological value addition.
- Central government to create enabling qualitative framework, provide incentives for infrastructure development on PPP basis.
- The proposal in the policy are generally location, sector and technology neutral except incentivization of green technology.
- Policy can be implemented through NIMZ as a plant integrated Industrial Township.

*The government of India is trying for the sustainability through:*

- Invest India portal where government can encourage top 5000 investors and manufacturers.
- Digital India campaign for digitalizing India.
- Using the deterrence power of nuclear empowerment.
- NIIF, where government can try to encourage sovereign wealth fund of various countries.
- Interest subvention scheme.
- Introduction of NBFCs.

#### 5. CONCLUSION:

Sustainable Development cannot be viewed as a buzzword or as another way of talking about or putting forward the major issues such as environmental protection, conserving ecology, optimal utilization of the scarce resources in the economy, etc. rather, it is a major framework for reconciling the key international goals and it is applicable to national actions as well. Every discussion and debate on sustainability leads to the conclusion that existing institutions worldwide, are part of the prevailing problem and for such considerable issue, reforms must be required to get rid of these issues and to look forward for achieving strengthened sustainability in the economy as well as the economic growth without facing any hurdles.

Implementation of the sustainable development policies will necessitate a transparent linkage between the indicators and the policy delivery mechanism. Such developmental policies to get implemented in the economies require a hell lot of time and are supposed to get through many ministries for their approval. But whatever be the hardships or challenges that an economy faces for implementation of such policies, there is always a ray of hope and that should not be unnoticed and cannot be missed while achieving any kind of social, economic or environmental growth and development.

The main focus of the countries and economies should be on promoting a supportive & international economic system that would lead to economic growth and sustainable development in all the countries for better addressing the problems such as environmental degradation, excessive utilization of resources, pollution, misusage of intellectual

property rights, etc.

So, implementation of various sustainable models in the short as well as in the long run by integrating its social, economic and environmental dimensions, will contribute to the international as well as national efforts mitigating the adverse trends in the global change and, therefore to meet the challenges of sustainable development, it requires various significant processes for identifying and integrating economic, social & environmental goals and efficiently implementing such goals at all the levels of responsibility.

Many international organizations such as WTO also aim at encouraging international trade to achieve SD also to protect environment by implementing various policies and signing in various agreements.

#### ABBREVIATIONS:

- WTO: World Trade Organization
- SDG: Sustainable Development Goals
- IPCC: Intergovernmental Panel on Climate Change
- WMO: World Meteorological Organization
- CCD: Climate Compatible Development
- CBD: Convention on Bio Diversity
- UNFCCC: United Nations Framework Convention on Climate Change
- GATS: General Agreement on Trade in Services
- TRIPs: Trade Related Aspects of Intellectual Property Rights
- TRIM: Trade Related Investment Measures
- AOA: Agreement on Agriculture
- MIGA: Multilateral Investment Guarantee Agency
- AMS: Aggregate Measurement of Support
- NIMZ: National Investment Manufacturing Zone
- SSM: Special Safeguard Mechanism
- NAMA: Non-Agriculture Market Access
- CDR: Common Differentiated Responsibilities
- INDG: Intended Nationally Determined Goals
- ISA: International Solar Alliance
- CTCN: Climate Technology Centre & Network
- NIIF: National Investment & Infrastructure Fund
- NBFCs: Non-Banking Financial Companies
- PPP: Public Private Partnership
- FDI: Foreign Direct Investment

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