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ENVIRONMENTAL IMPACT OF ECONOMIC GROWTH

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Abstract

Environment literally means the surrounding of an object. Environment is a fairly new concept and viewed with different angles by the human being / society. Economic Growth had driven by limited resources of an environment and its alternatives uses. This paper is an attempt to analyse the "Environmental Impact of Economic Growth" to analyse the Impact of level of economic system / growth. For this purpose secondary Data has been collected by the researcher.Basic tools such as bar diagrams and PPF curves have been used to analyse the problem.

Key words- Environmental & Economic Growth.

Economic History of India:-

The Economic history of India begin with the Indus valley civilization (3300-1300BCE) whose economy appears to have depended significantly on trade and example of overseas trade, notable being indus.

Mesopotamia Relations-The Vedic period sow countable units of precious metal being used for exchange. The term Nishka appears in this sense in the Rig-Veda.

Historically India was the largest economy in the world for most of the next three millennia, starting around the beginning of British Raj.

Around 600BC the Mahajanpadasminted punch- marked silver coins.The period wasmarked by intensive trade activity and urban development by 300BCE the Moray Empire has united most of the Indian subcontinent the resulting political unity and military security allowed for a common economic with increased agricultural productivity.

The Moray Empire was followed by classical and early medieval kingdom, including the Cholas,Guavas, western gangs, harsh poles. During this period between 1CE and 1000CE the Indian subcontinent is established to have accounted for one third to one fourth of the world's population and product though GDP per capital was stagnant according to the balance of economic power.

Up until 1000CE, India had a large share of the world population but its GST per capital was not much higher than subsistence.

India experienced per capital GDP growth in the high medieval era after 1000CE during the Delhi sultanate in the north and Vijay nagger Empire in the south, but was not as productive as Ming china until the 16th century by the last 17th century most of the Indians subcontinent has been reunited under the mural Empire. Which become the latest economy and manufacturing power in the world.

During the mogul empire, India was the world leader in manufacturing producing 25% of the world's industrial output up until the mid-18th Period of British rules. Mughal Bengal the empires wealthiest province that solely accounted for 40% of Dutch imports outside the west was a world leader in the productive agriculture textile manufacturing and shipbuilding and as its result the proto industrialisation was emerged.

After the decline of the Mughal empire Mysore embarked on ambitions economic development program that established the kingdom ofMysore as a major economic power with some of theworld's highest real wages and living standard in the last 18th century during the period Mysore overtook the wealthy Bengal surah as indies dominate economic power with highly productive agricultural and textile manufacturing Mysore's average income was five time higher then.

The Maratha Empire also managed an effective administration and tax collection policy throughout the core areas under their control and extracted chats from vassal states. India experienced un industrialization and cessation of various craft industries under British rule which along with fast economic and population growth in the western world resulted in India's share of the world economy declining from 24.4% in 1700 to 4.2% IN 1950 and its share of global industrial output declining from 25% in 1750 to 2% in 1900 due to its ancient history as a trading zone and later its colonial status this status remained economically integrated with the world with high level of trade investment and migration.

The republic of India founded in 1947, adopted central planning for most of its independent history ,with extensive public ownership , regulation red tape and trade barriers after the 1991 economic crisis the central government launched liberalisation, allowing it to immerge as one of the world's fastest growing large economies**.**

Significance of Economic growth:-

Economic development implies an improvement in economic welfare through higher real GDP but also though an improvement in other economic indicators, such as improved literacy, better infrastructure, reduced property and improved healthcare standard**.**

Policies for Economic Development:-

- **Macro-Economic stability.**
- **Foreign aid.**
- **Development of manufacturing.**
- **Investment in public services.**
- **Effective tax collection.**
- **Revitalisation/deregulation.**

Macro-Economic stability:- Microeconomics stability would involve a commitment to low inflation. Low inflation creates a climate where forging investors have more confidence to invest in that country. High inflation can lead to devaluation of the currency and discourage foreign investment for example-if you look at the current situation of china and India they both have high rates of economic growth but the concern is that their economies could easily 'overheat' and cause inflationary pressure there for to keep a lid on inflation is an important underlying factor in sustainable economic development.

Privatisation and De –regulation:-An important aspect of china's rapid economic development was the decision to move from a communist economy to a mixed economy. Several states owned industries were privatisation.De-regulation involves making state owned monopolies face competitions.This greater competitive pressure can help to create incentive to cut costs.

Effective Tax Collection:-One of challenge developing economies often face is to effectively tax and collect what they are supposed to if the government is unable to collect sufficient tax from the richest aspect of the economy there will be little funds to finance necessary public sector investment in services with a high social benefit for example- the average tax rate in sub-Saharan Africa is also 15% of GDP compared to an average of 40% of GDP in the developed world.

Investment in public services:-In area such as education, healthcare and transport there is often market failure the free market doesn't provide sufficient levels of education. A key factor in improving economic development is to increase level of literacy and training it is very difficult for the economy to develop in to higher value added industries.

Other Take away:-

- Economic growth is driven of ten times by consumer spending and business investment.
- Tax cuts and rebates are used to return money to consumer and boost spending.
- Infrastructure spending is designed to create construction jobs and increaseproductivity by enabling business to operate more efficiently.

Objectives of STUDY:-

FOLLOWING ARE THE BASIS OBJECTIVES OF THE STUDY;

1. To analyse the classic trade-off between economic growth.
2. To analyse the impact of Economic growth on environmental resources.

Source of Data:-

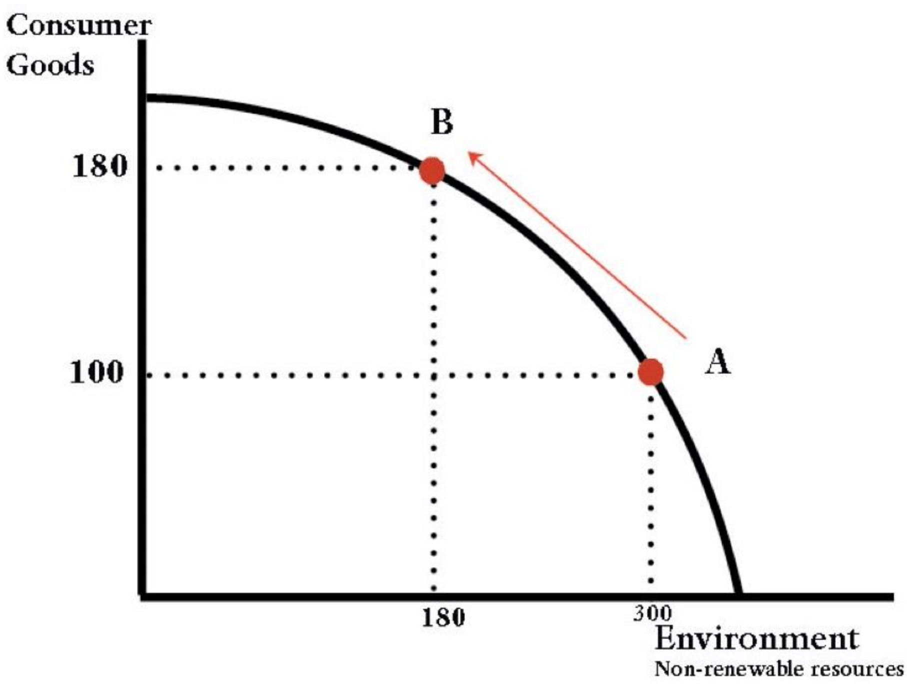
Primary Data is lack.

Secondary Data: - data has been collected from refresher books, Research articles, Internet, Newspaper, Magazine etc.

Research Methodology:-

Environmental impactof economic growth:-

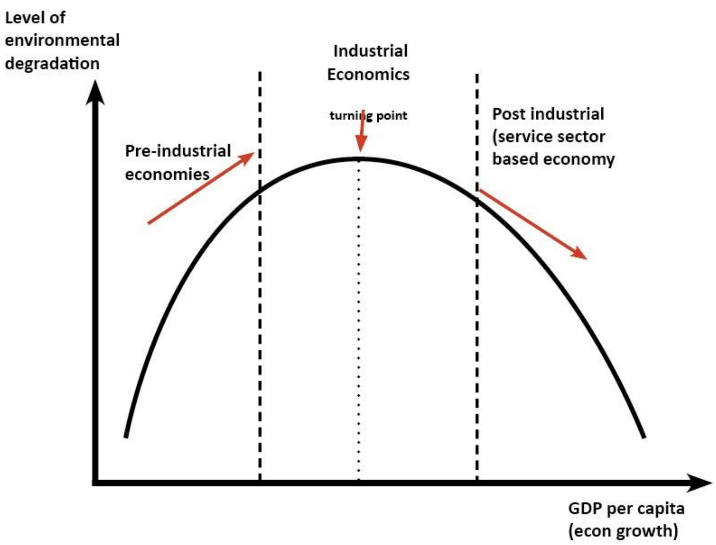
A- Classicaltrade-off between economic growth and environmental resources:-



This PPF curve shows a trade-off between non-renewable resources and consumptions. As were increase consumption the opportunity cost implies lower stock of non-resource for example- The place of globleeconomic growth in the past century has led to a decline in the availability of natural resources such as forests (cut down for agriculture/demand for woods)

- **A decline in sources of oil/coal/gas.**
- **Loss of fishing stock due to over fishing.**
- **Loss of speciallydiversitydamage to natural resources has led to species extinction.**

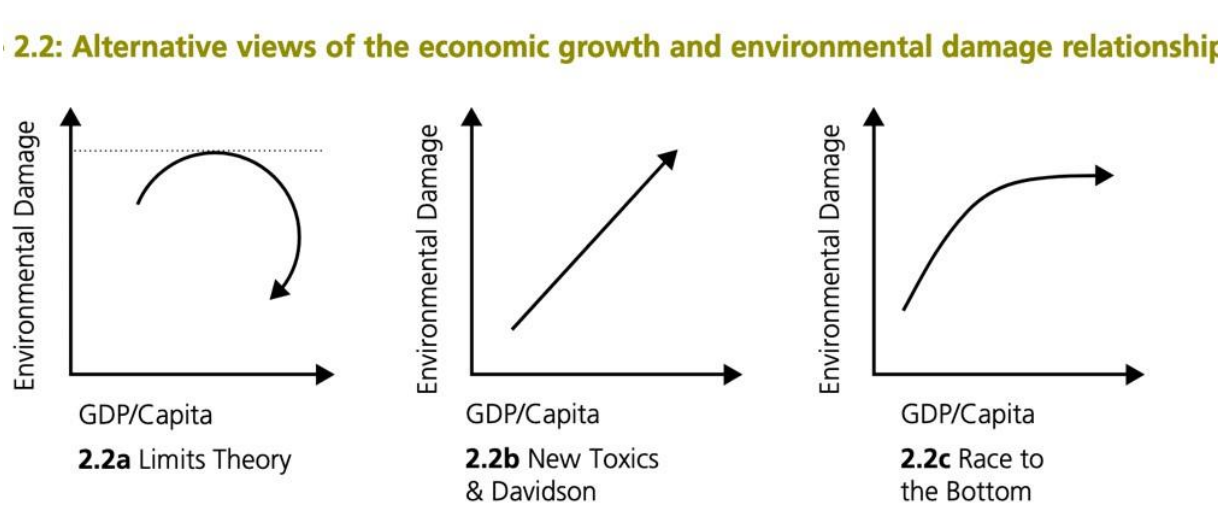
B – <u>U shaped curve for economic growth and the environment</u>.



One theory of economic growth and the environment is that up to a certain point economic growth worsens the environment, but after that the move to a post industrials economy it leads to a better environment.

C – <u>Other models of a link between economic growth and environment:-</u>

Alternative views of the economic growth and environmental damage relationship.



<u>Limitsof Theory</u>: -The suggestion that economic growth will damage the environment and damage will it self-start to act as a break on growth and will force economies to deal with economic damage for e.g. if we run down natural resources their price will rise and this will create an incentive to find alternative.

<u>New Toxics</u>: -This is more pessimistic suggestion that economic growth leads to an ever increasing range to toxic output and problems, some issue may solved , but they are outweighed by newer and more pressing problem which are difficult if impossible to overturn.

<u>Race to the bottom</u>:- The suggestion that in the early stage of economic growth there is little concern about environment and after countries undermined environmental standard to gain a competition advantage the incentive to free ride on others efforts**.**

<u>Conclusion</u> :- From our detailed analysis we can conclude that environment & economic growth are usually related & there is an impact of economic growth upon the environment in context of India in year 1991 when new polices was implanted which promote liberalisation, privatisation & globalisation so as per to overcome crises, which also promote industrialization because of that environment had to suffer although economic growth is good but it should not be at the cost of environmental degradation.

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