Topic
Green National Income

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GREEN GDP / GREEN NATIONAL INCOME

- Meaning and concept

1. Green national income is measured as Green Gross Domestic Product (GGDP)
2. GGDP is an index of economic growth that measures the environmental effects on the growth of conventional GDP
3. Eg: it measures the money cost of loss of bio-diversity, cost of climate change, pollution impact when production of G/S are accounted into NI calculation

GGDP Concept

- The conventional GDP figures are adjusted for the environmental costs of economic activities
- GGDP reflects how much an economy is prepared for sustainable economic development
- Governments of India, USA, China, Norway have accepted it as a policy initiative
- India began the initiative in 2009, a committee was appointed and the report was submitted in 2015

CALCULATION OF GGDP

- It is 3 step process

1. Physical accounting – qualitative and quantitative accounting is done

Eg: measuring forest cover and water resources in quantitative and qualitative terms

2. Monetary valuation of natural capital – it is difficult

CALCULATION OF GGDP

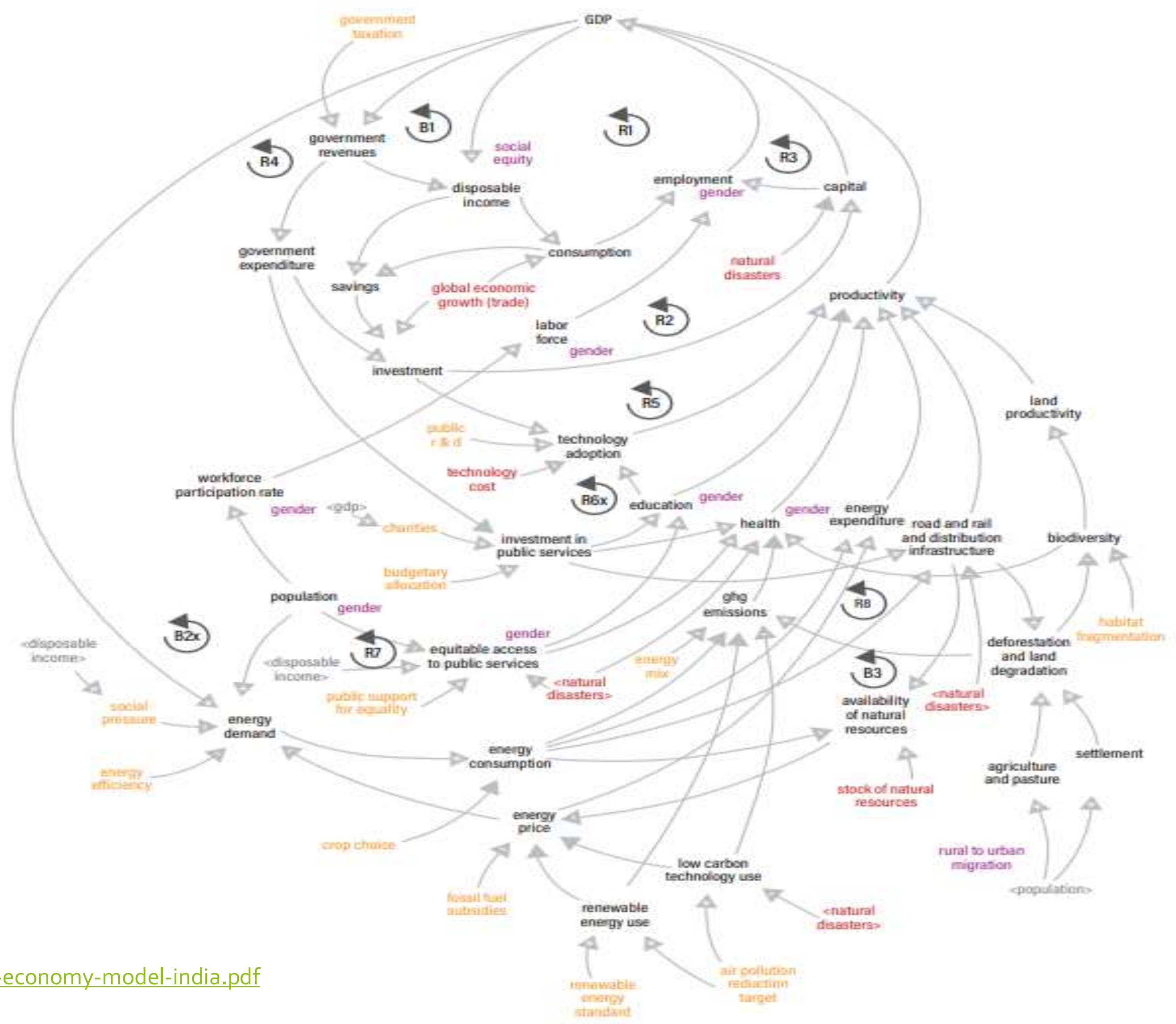
3. Net change in natural capital

GGDP = GDP – cost of net natural capital consumption

It includes

- Costs of natural resource consumption
- Costs of environmental depletion

Figure 1 | Causal Loop Diagram Developed for GEM-India



https://newclimateeconomy.net/sites/default/files/2023-08/green-economy-model-india.pdf

Notes: GDP= Gross Domestic Product, GHG= Greenhouse Gases, B**= Balancing Loops, R**= Reinforcing Loops.