APPLICATION OF ECONOMIC TOOLS IN ENVIRONMENT AND LAW: A STEP TOWARDS SUSTAINABLE DEVELOPMENT AND GREEN ECONOMY IN INDIA

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https://doi.org/10.69893/gjle.2024.000066

ABSTRACT

The phrase "green economy" has gained popularity worldwide, with every nation presently emphasizing environmental concerns, embracing the green economy as their main economic model, and pursuing sustainable development. India is currently having trouble balancing its slow attempts to reduce the effects of climate change and coping with its usual economic expansion agenda. Currently, in order to combat climate change, closing down industries or scaling back the production system will have an impact on the Indian economy. Adopting the strict green approach will have detrimental consequences on trade, employment, agricultural output, and business practices. As a result, new policies, budgetary changes, and the advancement of resource efficiency are unquestionably needed. In light of this, the manuscript uses a variety of economic tools, including the Kuznets Curve, the Law relating to Property Rights and how it relates to the Law of Demand, and Cost (Benefit) Analysis, to argue against the use of the command-and-control method of punishing environmental offenders. The author, among other things, makes the case that the use of economic tools in the field of environmental law can aid in the effort to transform the conventional economy into a green economy without having a negative effect on GDP, while also highlighting the effects of environmental degradation on per capita income and the marginal cost of pollution associated with society and developmental projects. However, in doing so and offering a different paradigm for aligning the green economy's tenets with economic growth, the question of how these financial instruments should be used is also raised.

***Key Words**: Cost-Benefit Analysis, Environmental Kuznets Curve, Green Growth, Marginal Cost of Pollution, Pigouvian tax, Property Rights.*

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1. INTRODUCTION

Countries have been attempting to address the dreadful environmental circumstances in recent years by transforming the traditional type of national economy to Green Economy in order to ensure sustainable development. (Singh, 2011-2013) A sustainable model, as enunciated by UNEP, significantly reduces planetary risks and resource scarceness while enhancing social justice and individual satisfaction. (Fedrigo-Fazio & Ten Brink, 2012) The global green economy concept gained traction following the 2008 Global Financial Crisis, with the goal of lowering hazards associated with ecological decline and carbon addiction while still meeting the Millennium Development Goals (MDGs) of 2000. However, Pearce et al.'s (1989) vision for a green economy for the UK's Department for the Environment was the first to introduce the notion. (Georgeson, 2017) Worldwide gatherings have also thoroughly addressed strategies related to the environmentally conscious financial spectrum, such as the 1992 Rio UNCED. Like for instance, the Rio Declaration contained guidelines encouraging the use of economic tools and the internalization of environmental costs, additionally the abolition of insurmountable production and consumption. To put it succinctly, through combining governmental and financial backing, the ecological economy seeks to improve earnings and career development both domestically (Babel & Poduvai, 2020) and internationally. It does this by reducing carbon emissions, preserving habitats and nature, as well as optimizing the use of resources. (Sharmila, 2023)

The "Beyond GDP Principle" is one of the tenets that the Northern Alliance for Sustainability separated out of the concept of the "green economy" in 2012. The idea is that, in an environmentally conscious economy, economic expansion should be measured by considering the environmental consequences of the country's production, compared to the existing finances, where GDP development is estimated using traditional approaches. (Goud, 2019) Few economists, however, believe that emerging nations like India may not benefit from the GDP concept since any kind of output reduction or cessation could have a detrimental impact on the nation's economic growth and citizens' level of life. The estimate that a 30% decrease in particle emissions will result in a $97 billion drop in GDP further supported this point. In addition, a 2016 analysis from the World Bank estimated that the annual expenses of ecological decline in India is around 3.75 trillion, or 5.7% of the country's GDP. But this is just one aspect of the situation!

i. *The dangerous effect that the environment has on the national income makes matters worse. According to a number of estimates, severe weather events brought*

> *on by climate change damaged crops across more than 36 million hectares between 2016 and 21, which resulted in losses for the nation's farmers. The study, "The Costs of Climate Change in India," examines the financial toll that climate-related hazards may have on the nation and raises the prospect of greater poverty and inequality. According to the report, climate change may cause India to lose 3–10% of its GDP per year by 2100.*

The degradation of the environment and its lasting effects on the economy persist despite the numerous regulations that govern the actions of environmental offenders. Without a doubt, all industries may close under the guise of environmental preservation, which would severely restrict the economy. Thus, the necessity of reconsidering expansion tactics has increased. Therefore, economic instruments are helpful in finding a middle ground where the green economy's tenets can be upheld while yet allowing for the sensible application of the command-and-control strategy.

The manuscript is therefore divided into several sections. The first section will give a theoretical overview of the subject and will examine judicial activism related to sustainable development and the effects of environmental degradation on the economy, keeping in mind the necessity of ensuring green growth through alternative growth strategies. The second section of the manuscript will explore the use of economic instruments in the green economy. In this section, the relationship between per capita income and environmental deterioration will be established through the use of the Environmental Kuznets Curve. It is stated that as people become wealthier, they will begin to value the environment. It will then be proven that the application of property rights will deter people from causing environmental damage. Additionally, using cost-benefit analysis, the project's economic impact and the marginal cost of pollution will be evaluated. The letter will close with a few practically sound recommendations that the government can implement to guarantee a green economy in which businesses are not outright closed and green growth is guaranteed.

2. LITERATURE REVIEW

In recent years, the nexus between economic development and environmental sustainability has gained attention worldwide, especially in countries like India that are striving for rapid economic growth while managing the accompanying environmental degradation. The concept of the green economy, rooted in the United Nations Environment Programme (UNEP) and advanced through global frameworks like the Sustainable Development Goals (SDGs), seeks to harmonize economic progress with ecological sustainability (Pearce et al., 1989; UNEP,

2012). The green economy is an essential pathway toward achieving sustainable development by reducing carbon emissions, preserving ecosystems, and optimising resource use. India's commitment to this agenda is reflected in its adoption of the 2030 Agenda for Sustainable Development, which sets ambitious goals for environmental protection while ensuring economic prosperity (UNDP, 2023).

However, as Sarkar (2011) notes, India faces unique challenges due to its high dependence on natural resources and a growing population that intensifies environmental degradation. Studies show that India's GDP suffers significantly from ecological damage; for instance, air pollution alone cost the country 8.5% of its GDP in 2013 (Jain, 2013). In this context, scholars advocate for the adoption of economic tools such as the Environmental Kuznets Curve (EKC), property rights, and Pigouvian taxes to ensure green growth without stifling economic development (Fernandes & Gopal, 2019; Stern, 2003).

Cost-benefit analysis (CBA) is another widely recognized economic tool that helps assess the environmental impacts of development projects. Murty et al. (2006) argue that CBA can provide a more comprehensive evaluation of both short-term economic gains and long-term environmental costs. In India, the Delhi Metro project is often cited as a successful example of using CBA to ensure that infrastructure development aligns with sustainability goals (Alfredsson, & Wijkman, 2014). However, there is room for expanding the application of CBA across other sectors like mining, manufacturing, and energy production, where environmental costs are often overlooked. The Environmental Kuznets Curve (EKC) hypothesis, as developed by Grossman and Krueger (1991), postulates an inverted U-shaped relationship between environmental degradation and per capita income. Initially, economic growth leads to higher pollution levels, but as societies become wealthier, they prioritize environmental protection, leading to a decline in degradation (Stern, 2003). Although this hypothesis has been tested in numerous contexts, its application in India is still under debate due to the country's unique economic structure and high poverty levels (Gupta, 2021). New studies could explore the nuances of applying the EKC in developing countries like India, particularly considering recent advances in green technology and energy efficiency.

3. CONCEPTUAL UNDERSTANDING OF GREEN ECONOMY AND SUSTAINABLE DEVELOPMENT IN INDIA

According to the Brutland Report, the environmentally conscious economy aims to achieve steady growth and a harmonic balance between fiscal growth and environmental progress. This is in line with a perspective that views the economy as a tool, ecological

sustainability as a basic necessity, and socially sustainable development as the ultimate goal. (Gehring, 2016). India has embraced the "2030 Agenda for Sustainable Development" as a member state of United Nations Environment Programme (UNEP). This agenda is an action plan for prosperity, the earth, and people. It incorporates and acknowledges the need to end poverty everywhere, eliminate inequality within the membership, protect the environment, and maintain economic growth.

In spite of having numerous laws governing environmental preservation, India badly failed and, as of 2023, obtained a poor ranking of 112 out of 193 UN Member States in the SDGs 2023 rating. This makes it abundantly evident that India nonetheless has plenty of miles to travel prior to attaining the SDGs, which will serve as the cornerstone of the green economy. (Ge, 2017) As a result of this falter, the author recommends using economic tools to ensure green growth. As a result, the following research issues will be addressed using the economic tool lens in the paper's later sections:

- Is there a relationship between environmental deterioration and per capita income?
- Is it less likely for people to overuse natural resources if they are granted property rights over them?
- Does cost-benefit analysis help to lower pollution and damage of the environment?
- Is it economically feasible to impose a tax like the Pigouvian tax in order to guarantee green growth?

i. Environmental Degradation and Downfall of Economy: A Double Helix

In a developing nation like India, where GDP is growing more quickly than before, environmental effects pose a concern since they will eventually put significant restrictions on the economy. The extraordinary vulnerability of nature and ecological systems, which means that we will all struggle if there are any significant modifications to the natural world in a few years or afterwards that leads to the extinction of some important plant and animal species, reducing biodiversity, and having an impact on our biological system, has led to the notion that sustainability of nature and ecological systems is essential. The most compelling evidence for this is the fact that India lost 8.5% of its GDP in 2013 due to air pollution.

A World Bank report estimates that by 2050, changes in variations in precipitation and climate rise could be catastrophic to India. Low labour productivity, poor agricultural yields, and deteriorating health are the outcomes of this. There will be food and water shortages, which will increase demand for and raise the cost of necessities.

The creation of a financial system that can combat sustainability issues and the exhaustion of ecosystems is the aim of the sustainable sector. India will ultimately have to endure hardships if such concerns are ignored. (Rosencranz, 2017) As a result, India's financial system will not simply run seamlessly sans obstructing GDP growth, but it will also consider court decisions on environmentally friendly growth to promote construction and direct other Indian economies in the direction of an economy based on sustainability.

ii. Tenor of Existing Legislation and Judiciary towards Environmental Degradation and Economic Development

India experienced advancements in environmental jurisprudence following the Bhopal Gas Disaster in 1984, and the country has witnessed an astounding array of subsequent environmental law cases. The Environment Protection Act of 1986 was passed as one such piece of law. This "umbrella" law was created to provide a framework for the Central Government to coordinate the efforts of many Central and State agencies that had been set up under earlier statutes, including the Water Act and the Air Act. The job of striking a balance between development and the environment, often known as sustainable development, is placed on the creators of environmental legislation whenever it is being developed.

The UN conference on Human Environment, Stockholm of 1972 and the World Summit of 2002 highlighted the necessity of guaranteeing the simultaneous achievement of environmentally conscious growth in the economy, growth in society, and environmental protection. *(Narmada Bachao Andolan v. Union of India, 2000)*

The Indian judiciary has been a key player in adopting sustainable development in an effort to safeguard the environment and maintain the ecological system. The *Vellore Citizens' Welfare Forum v. Union of India (1996)* case established the "Principle of Sustainable Development" for the first time. The court determined that "remediating environmental damage is a necessary step in the process of Sustainable Development, and as such, polluters are responsible for both the costs associated with compensating affected individuals and mitigating ecological damage".

Eventually, the court in *M.C. Mehta* v. *Union of India (2004)*, attempted to maintain a careful balance between ecology and growth, noting that the two are not antagonistic. The expansion of businesses, watering supplies, electricity assignments, and other endeavours, as well as the improvement of job prospects and income generation, require expansion even though it is feasible to do so while upholding the values of equitable advancement. There must be a balance. The idea that the need to protect the environment and ecology shouldn't impede

advancements in the economy and other fields was reaffirmed by the court in *Indian Council for Enviro-Legal Action* v. *Union of India (1996).*

These rulings on the meaning of sustainable development make it abundantly evident that the environment and sustainable development must be prioritized. In order to create a green economy, we must thereby enact strict economic policies, rules, regulations, and cutting-edge technologies.

4. A NOVEL MOVE TOWARDS GREEN ECONOMY: APPLICATION OF ECONOMIC TOOLS FOR ENSURING BALANCE BETWEEN ECONOMIC DEVELOPMENT AND ENVIRONMENTAL PROTECTION

This segment will use economic tools like the Kuznets Curve, Property Rights in relation to the Law of Demand, and Cost-Benefit Analysis to argue for a green economy that does not entirely shut down economic development and does not punish environmental offenders with a command-and-control approach from both a macroeconomic and microeconomic perspective. Econometric instruments are employed to investigate how different fees, incentives, laws, and regulations contribute to a favourable ecosystem from a socioeconomic standpoint. In order to determine a predictable environment evaluation, economic methods are utilized to investigate how at the microeconomic scale, rules and guidelines influence company and domestic conduct. (Antonio, 2022)

i. Impact of Environmental Degradation on Per Capita Income

In this section, the relationship between environmental deterioration and per capita income will be emphasized using the economic tool of the Environment Kuznets Curve (EKC). It is now recommended that the state of the environment deteriorates as GDP rises.

The EKC is a proposed correlation between a number of environmental degradation indices and per capita income. (Stern, 2003) The idea is predicated on the idea that while pollution and environmental degradation occur during the early stages of economic development, these trends eventually alter and high-income economic growth results in better environmental outcomes.

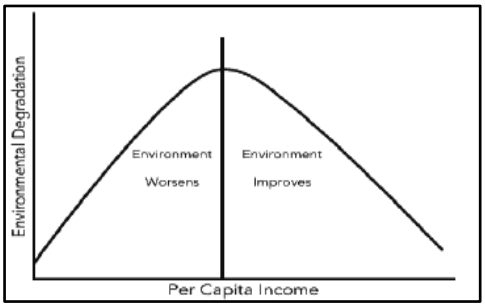

Figure 1: Environmental Kuznets Curve: Relationship Between Economic Development and Environmental Degradation

Source: Author's Construction

The current scenario expresses environmental degradation on the Y axis and economic development on the X axis. The argument for Environmental Kuznets Curve testing is that when a country has a sharp increase in its economy, people begin to value natural resources more and acquire new technology and make plans for its advancement. Early humans exploit nature and its resources because they value development. The environment and ecosystem are valued by them when they have accumulated some riches. EKC has an inverted U-shaped form because of this. (Hauff & Mistri, 2015)

ii. Application of Environment Kuznets Cure for Ensuring Green Economy

The administrative arrangements play a major role in how well the environment and conditions improve along with income growth. Strategies to reduce pollution and outflows will have a significant impact on the State of EKC. A U-shaped EKC curve will be produced by using innovation in environmental protection and using alternative modalities.

Once the economic criterion is met, people prefer to favour things that will improve the environment. People's priorities will shift as their income rises because they will begin to prioritize a clean environment and the detrimental impacts of pollution. Moreover, rising incomes are a reflection of the nation's expanding economy. An increase in the economy causes the environment to deteriorate, assuming that the technology effect remains constant. Additionally, as the nation grows, the economy moves away from manufacturing and toward the service sector. These sectors should have fewer emissions per unit of output, thereby reducing the level of environmental degradation at the local level. When trying to understand the factors that are driving the proportional and unconditional dissociation between pollutant trends from economic growth, the environment Kuznets Curve may be helpful in identifying instruments that are driven by the market and those that are driven by arrangements.

As was previously mentioned, a nation with green policies and technologies will aim to balance economic expansion with reducing environmental damage as a result of rising prosperity. It is important that environment policy enables the largest extension for creative technology solutions to environmental challenges, as it appears that neither moderating development nor decreasing the output of specific industries is the motive behind it.

iii. Property Rights in Environment Protection

The fact that economic development results in overuse and depletion of ecological wealth is primary argument against it. Natural resource property rights are ill-defined; therefore, the polluter is not forced to absorb the costs of their actions on other people. Moreover, victims are not incentivized to take action against the polluter. It has been argued below that enforcing property rights will lessen the problem of over-exploitation of resources, which will help to resolve this issue. A set of guidelines for the use of limited resources and commodities is what is known as property rights. The collection of rules consists of rights and obligations. The rules may be institutionalized by social norms and a pattern of punishment or they may be codified in legislation. Policies based on property rights grant the ability to exploit biological assets and, to some extent, pollute the surroundings in addition to also permit the trading of these rights. These actions could have the effect of making people consider natural resources over a longer period of time and handle them economically if they have the opportunity to use them.

iv. Entrustment of Property Rights: Tool to Reduce the Demand and Over-Exploitation of Natural Resources

Property rights are more uncommon. They will cost more the more in demand there is for them, ensuring that the rights be used most efficiently and are not wasted. In order to bolster this claim, let us consider the case of overfishing in India. Research on fishing activities suggests that over 2/3rd of the country's fisheries resources have been overfished, moreover, the business fleet has reached its maximum potential The environment will be adversely altered and destroyed by overfishing. By granting property rights to fishermen, fisheries management will be able to control overfishing and avoid fishery collapse. This is due to the fact that giving property rights, when correctly outlined and vigorously upheld, will incentivize owners to align with the underlying natural resource. The majority of economists support and advocate for the provision of such property rights. (Allen & Clouth, 2012) More economists have emphasized how important it is to grant private property rights over natural resources in order to support a country's long-term growth and development.

Consider an alternative scenario: urban lakes are some of the best sources for replenishing groundwater, but in the modern era, people have either encroached onto them or have used them as disposal sites for rubbish. The administration or private organizations with the ability to revitalize these lakes can be granted full property rights in order to restore these bodies of water. Granting property rights to the lakes will undoubtedly help to preserve them to some extent. (Environmental Taxation: A Guide for Policy Makers, 2011)

These illustrations should make it clear that the loss of biodiversity and the annihilation of creatures can result from unfettered accessibility to a common supply. The severity of the issue has led to this situation being referred to as a catastrophe of the people. Therefore, such a measure would guarantee that the emitter ultimately externalizes the expenses. of his actions and provide the affected party with an incentive to file a lawsuit against the polluter. Should a risk to one's exclusive resources or rights exist due to contamination, the polluter would be obliged to take into account the adverse effects of their actions on the affected population.

a. Cost Analysis of Economic Development

In this subsegment, cost analysis is used to support the argument that, rather than entirely closing down industries, a green tax should be implemented and a cost-benefit analysis should be done before beginning any development projects.

i. Marginal Cost of Pollution and Imposition of Green Tax

The point at which pollution's overall benefits outweigh its overall costs to the maximum extent feasible is known as the efficient level of pollution. This happens when the marginal cost of pollution, or the optimum advantage of a further piece of contamination equals its minimal expense, or when the expense of a healthier atmosphere is spent to generate one more unit of contamination.

According to this economic theory, a 100% decrease in pollution is not achievable. Because factories that produce commodities and services are necessary for human survival, they will undoubtedly contaminate the environment. However, the question of how much it can contaminate the environment emerges. This makes sense from two distinct angles. Let's first assume that there is no pollution in the planet when we first start. Some things are more important to us than a completely clean environment, and we manufacture those things until we determine that any further pollution is no longer worthwhile. Alternatively, if we begin with a somewhat contaminated planet, we can more realistically consider the amount of

contamination we could potentially eliminate prior to the costs surpass the benefits of a world without pollutants. (Cost-Benefit Analysis and the Environment: Recent Developments., 2006) Achieving an optimal degree of contamination—where the advantages far outweigh the costs—may necessitate the administration taxing enterprises or requiring them to use environmentally favourable innovations. The overall advantages would outweigh the marginal cost reduction of these items. Taxes that include environmental effects in prices can directly address the incapacity of markets to account for them. By using this imaginary situation and corelating pricing with taxation, we observe the way this can assist mitigate the adverse ecological effects.

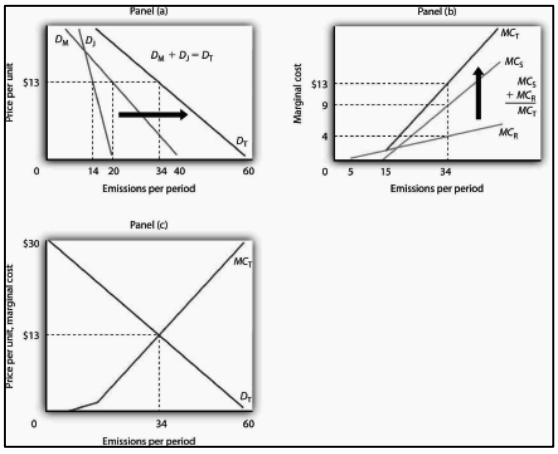

Figure 2: Marginal Cost of Pollution and Optimal Green Taxation for Sustainable Development

Source: Author's Construction

The marginal benefit of the 34th unit of emissions, as determined by the demand curve DT, matches MCT, at that point when a tax is imposed (panel c). The net benefit of an activity is maximized at the point where the marginal benefit and marginal cost curves converge. (Ahluwalia, 2008) An industry owner will incur more costs as a result of having to pay a particular amount of green tax, let's say $13. In order to cover the cost of manufacturing, he will either reduce his emissions or switch to a more environmentally friendly technology than the 60 units he used when there was no tax obligation. In order to determine the contamination indicators that finds the solution where minimal advantage matches marginal cost, or where overall advantages exceed the entire cost by the greatest amount practical—this economic instrument is crucial.

v. Cost Benefit Analysis: Benefit Of Economic Development must exceed Environmental Degradation

The most popular method for evaluating a project's financial impact is cost-benefit analysis (CBA). The fundamental theoretical underpinnings of CBA are: costs are considered as

decrease in individual welfare, while benefits as increase in human well-being (utility). Economists focus on the expenses and benefits associated with producing or consuming the next unit. A project or program must have more social benefits than social costs in order to be eligible on the basis of cost-benefit analysis. Cost-benefit analysis is "here to stay" and can be considered as a key tool for assessing and defending regulatory choices in the industrialized arena, despite the fact that it is still controversial when used to determine environmental policy. The Delhi Metro's CBA revealed a 1% boost in the economic rate of return on investment, which was calculated to be 22.5% after taking into consideration variations in the market and shadow prices for unskilled labour, foreign exchange, and investment in the Indian economy when calculating the Metro's costs and benefits.

The cost and benefit study are a helpful mechanism for estimating the financial impact of environmental pollution damage, enabling policymakers and the government to take preventative measures to lessen the harm and cut costs.

5. FINDINGS: SOME KEY TAKEAWAYS

From the foregoing discussion of relationship between per capita income and environment degradation in the backdrop of the EKC, it can be deduced that as the per capita income increases the environmental degradation also increases however, eventually the individuals will be disincentivise and they will give more attention to the ecological protection. When these individuals are conferred with property rights, they are more inclined to protect the resources in respect of which they have been conferred privileges and may carry the environmental development in judicious manner. However, if the level of pollution exceeds the marginal level of pollution, then it becomes imperative to impose green tax and perform cost benefit analysis. Consequently, the authorities can control, create strategies, and impose strict regulations to safeguard the ecology by using these measures, which can be used in an environmentally friendly economy. From this angle, the law has the potential to empower people and accelerate the shift to a green economy. They can replace environmentally friendly products by getting rid of outdated technology, changing things up, and providing fresh energy. They can support more environmentally friendly open acquisition, redirect open speculation, and strengthen market foundation and market-based components.

6. CONCLUSION: SOME FINAL REFLECTIONS

Developing nations face several barriers in their endeavour to transfer their economies toward more environmentally viable practices. At one side, this shouldn't discourage efforts to

integrate environmental factors into economic growth. However, in order to promote and facilitate efforts towards sustainable development, it is crucial to identify and differentiate between the various barriers. In order to accomplish sustainable development goals and transition to a "green economy," policies in India need to be executed more effectively.

Law and economic development employ monetary theory and tactics within the legal domain. It confirms that the tools of economic reasoning provide the highest likelihood for recommended and consistent lawful behaviour. It is purportedly one of the most widely held statutory theories. According to the prevailing notion, legal practice can be guided by financial investigation and efficacy as an ideal. The combination of sound reasoning and financial analysis has also generated new research interests in the areas of game theory, which aims to understand important behaviour in a legal context, open decision theory, which explores how collective behaviour should impact enactment, and conduct financial aspects. The government can create laws more effectively and efficiently and work toward converting the conventional economy into a green economy by utilizing suggested measures. Even when the government employs a command-and-control strategy to punish environmental offenders or close down industrial facilities, applying economic logic to the legal system will not have an impact on GDP development and can eventually prevent resource scarcity.

7. (LAW)GICAL FRAMEWORK: RECOMMENDATIONS

The UNGA has affirmed its belief that development and the rule of law are closely linked and mutually supportive. It further states that “in order to achieve sustainable development, eradicate poverty and hunger, promote inclusive economic growth, and fully realize all fundamental freedoms and human rights, including the right to development, national and international efforts to advance the rule of law are necessary.” It is hereby humbly suggested that the government adopt the aforementioned economic tools in the manner mentioned below rather than blatantly imposing the command-and-control approach that is used to punish environmental offenders, after analysing the economic tools such as EKC, property rights, and cost benefit analysis.

i. Conferring Property Rights

Economic instruments, including property rights over natural resources, assist protect our heavily fished water resources. As many individuals employ lakes as landfills, stringent regulations must be put in place to protect these magnificent water bodies.

ii. Cost- Benefit Analysis and Green Marketing

India needs to do a better job of protecting the environment by analysing the costs and benefits of clean innovation and technology. Furthermore, it is imperative that green marketing become the norm rather than the exception in light of the possible threat posed by global warming. This covers recycling of garbage, metals, plastic, and so forth. To leverage this idea and achieve green marketing, the government must impose strict laws. In order to build a sustainable economy, sustainable marketing takes a more radical turn.

iii. Imposition of Pigouvian Tax

Pigouvian taxes are levied by the government to reduce pollution emissions. It is imposed on an item on a per-unit basis, creating adverse repercussions at the socially optimal quantity equal to the marginal externality. One such instance would be imposing a carbon fee on individuals who release carbon emissions. Because a Pigouvian tax grants the freedom to pollute, higher taxes result in greater environmental pollution reduction. By establishing an emission tax at the proper level and creating laws and regulations to do the same, the government and environmental authority can achieve the intended amount of pollution.

From this angle, the law has the potential to empower people and accelerate the shift to a green economy. They can replace environmentally friendly products by getting rid of outdated technology, changing things up, and providing fresh energy. They can support more environmentally friendly open acquisition, redirect open speculation, and strengthen market foundation and market-based components.

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