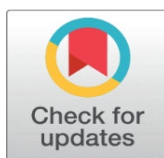


EXPLORING THE DETERMINANTS OF A SUSTAINABLE ECONOMY: KEY ECONOMIC, SOCIAL AND ENVIRONMENTAL FACTORS

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ABSTRACT

Sustainable economy is a term that describes the economy which focuses on providing great amount of well-being with least amount of resources and reducing environmental damage and providing alternative solutions for the same. It is the reflection of transitional shift from traditional economic theory to new economic paradigm in order to improve society's well-being. For the Following study systematic literature review was done by following the PRISMA guidelines. In-depth Literature review identified the new economic theories that help in achieving the goal of sustainable economy which are as follow - green economy, circular economy, innovation economy, green innovation, social economy, knowledge and environmental economics. The current study has explained the road map in achieving sustainable economy through these new economic paradigms that have been discussed. Economic implementation embodies attaining long term economic growth without harming natural amenities and any negative externalities such as environmental distortion, market failure and social inequality. Green economy represents growth of sustainable development that contributes toward three main dimensions- social, economic and environmental aspects that lead to improve human well-being and equity within nation. The use of 3Rs (Reduce, Reuse and Recycle) practice is one of the best practices in both production and consumption level in order to maintain circular economy. Knowledge economy is a new paradigm including highly skilled and innovative minds that capture new technology for enhancing productivity and promoting economic growth. Social economy plays a proactive role in order to maintain decent standard of living and provide environmental protection for society and community well-being while addressing socio-economic challenges to create sustainable and inclusive society. Environmental economics plays a proactive role in analysing and quantifying the environmental losses and suggests most efficient method to overcome such damage. Innovation economy comes up with new knowledge, creativity and with intellectual activities that emphasizes entrepreneurship come up with new ideas, products and services.

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Keywords: Sustainable Economy, Green Economy, Inclusive Society and Innovation

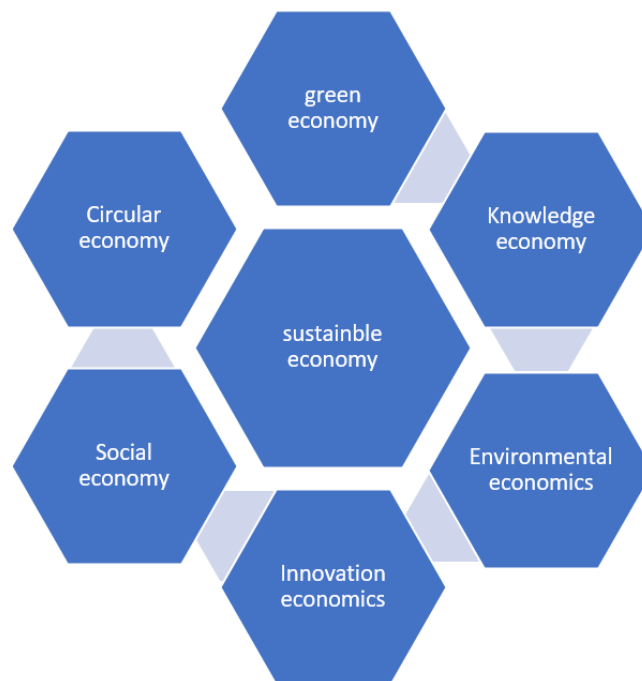
1. INTRODUCTION

Economic sustainability at individual level refers to ensure adequate amount of family income in order to fulfill their basic requirements or necessities and on other hand government ensure to attain adequate resources to bolster up citizens need in terms of economics. Countries with innovation and diversity which allow countries to come up with new and innovative ideas, science, research and technologies in industries which initiate to have overall development

likewise not just to rely on one industry e.g. In India half of the population depend on agriculture this will harm the economy. The next consideration factor is employability where citizens get employed and pay their expenses along with taxes through which government revenue will increase that will help in reducing poverty and in turn social security will get reduced another important factor is economic growth increase in overall growth in economy by which nations wealth's increases by time growth is seen with the overall transformation with the ongoing time. As economies experience rise in per capita income and GNI another aspect of growth in economy is seen with the dependency shift from agriculture to industries and service sector. Together with Palestine and Israel experiencing large amount of damage due to war between the two conflicted countries, since recovery from such war entails to put more focus on proliferating bunch of capital requirements with most help from other countries to come up with more advance technology and entails to build up more productive out of such harsh time and allow to have growth. Government plays a pivotal role in stimulating growth and preventing prolonged recession and provide necessary incentives in stimulating growth. Global trade resulted in economic growth with fair trade policies as trade itself provide employability.

Following factors are the Road Map to achieve Economic sustainability:

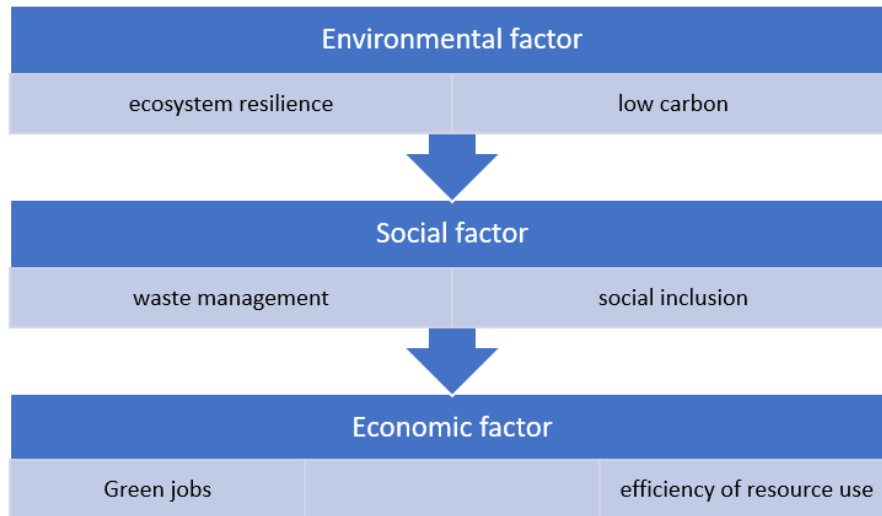
Figure 1



Green economy: is the one which reduce the environmental risks. Green economy represents growth of sustainable development contributes toward three main dimensions- social, economic and environmental aspects that leads to improve human well-being and equity within nation. Now days there is a need to develop a new economy with new economic policy in order to achieve sustainable development goals however, green economy is meant to be new economic policy which maximises the utility of resources and increase the efficiency of environmentally friendly resources in order to attain social equity within the nation. All jobs that contribute towards reducing energy optimum utilisation of raw material along with proper waste management strategies. Green growth is enhanced with improved ecosystem by preserving natural resources that continue to improve healthy well-being and living conditions towards green practice within the society. Socially inclusive development, low carbon emission, use of renewable energy, waste management (make best out of waste practice) and controlling population helps in maintaining green economy. This lifestyle transition with long term growth plans is much needed practices within each and every individual and economy as a whole.

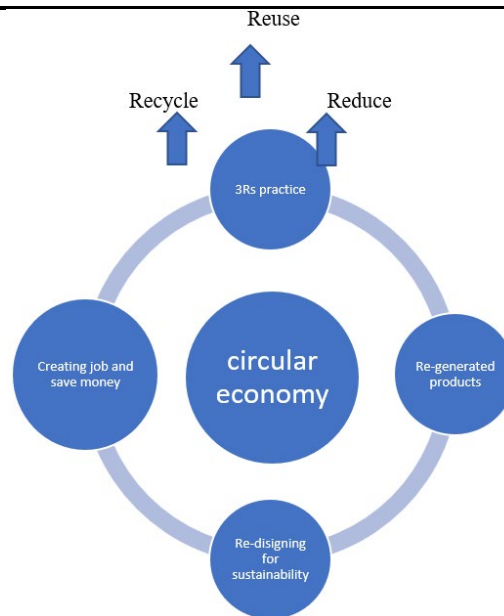
2. GREEN ECONOMY

Figure 2



Circular economy: is another strategic factor leads to maintain sustainable economy to control the power of environmental degradation and to utilise the resources as the resources available in economy are scarce. 3Rs (Reduce, Reuse and Recycle) practice is one of the best practices in both production and consumption level in order to maintain circular economy. In 12th five-year plan (2012-2017) “Faster, More Sustainable, and more inclusive growth maintained the upliftment of circular economy with nations economic and sustainable development. Circular economy is the one which particularly helps in maintain environmental standards. The more sustainable ecosystem mainly focused on eradication of waste and emphasizes towards Reusing of resources. Circular economy is a cycle of production and supply chain of resources building prolonged product with recycle and renewable of resources with transition of new design and approach to re-generate the product from existing resources. European union is initiating the transitional need of circular economy , circular action plan,(2020) action taken to promote design of sustainable products with waste management techniques and attract consumers efficiently. Resolution on circular economy (2021), targeted to achieve the goal of adopting fully circular economy by 2050 with fixed recycling rules.

Figure 3



Creating jobs and save money- with this transitional shift towards circular economy encourage to come up with new and innovative ideas of startups and business ventures that in turn helps in creating job instead of searching job through which entrepreneurship skill will get upgraded.

ich new entrepreneurship skills and more cost-effective products will develop in the economy and it will bring boost in economy.

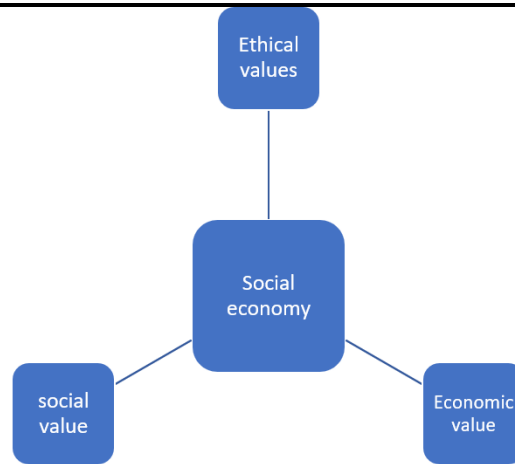
Knowledge economy: All the knowledge intensive techniques or services that tends to be reflected in each and every sector- industry, service and agriculture sector. Knowledge economy is a new paradigm includes high skilled and innovative minds that captures new technology for enhancing productivity and promote economic growth. The Romer (1990) model of economic growth laid foundation of knowledge-based economy. Knowledge based economy proactively seen in developed economy like Singapore, Korea, China and Indonesia

Figure 4



Social economy: involves social inclusion in the economy and creating sustainable access area to labour market with fair wage policy. Play a proactive role in order to maintain decent standard of living and provide environmental protection for society and community well-being while addressing socio-economic challenges to create sustainable and inclusive society. Social economy concerns with the relation between economics and ethics or social values. It investigates the functioning of mixed economy as a whole. Social economy laws have also been evolved in European countries: Spain, Belgium, Greece, France, Romania and Portugal where social economy play its vital role towards economic and social development in Europe. Local development and job creation is also encouraged through social economy.

Figure 5



Social economy studies the balance between social and economic values. Co-operations, association foundation and having mutually understanding society with new social and economic challenges lead to grow in social economy.

Environmental economics: mainly focuses on establishing environment friendly practices with efficient allocation of natural and environmental resources and suggest different policies to get combat with environmental damages like global warming, pollution (water, air and noise), solid waste, deforestation, water quality. The cost-effective allocation of resources by safeguarding worlds natural resources with good practices. Herman Edward Daly is known as the father of environmental economics in the field of ecological economics for which he has been honoured with “Livelihood Award”. The cost benefit analyses of environmental policies and sustainable planning in action with economic analyses of environmental regulation. The process of valuation of ecosystem is the main motive of policymakers. Environmental economy plays a proactive role in analysing and quantifying the environmental losses and suggest most efficient method to overcome such damage.

Figure 6

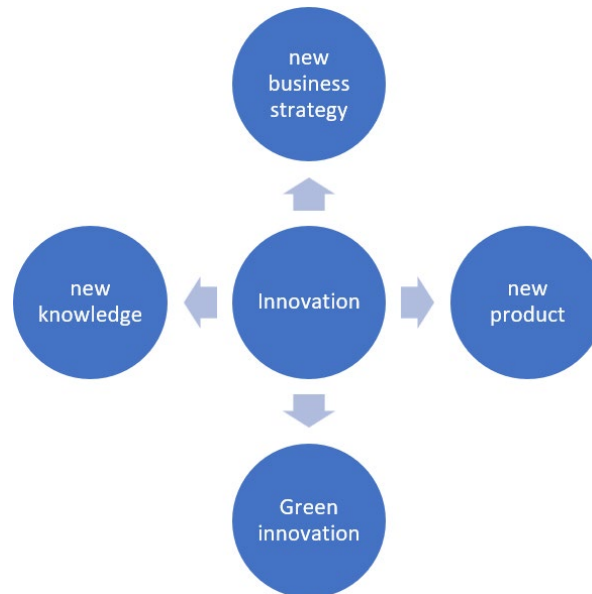


Figure 6 The transition towards Sustainable interaction between economy, society and environment.

Innovation economics: is a new economic and dynamic paradigm that mainly focuses on innovation and get Fastly adapted to change. Innovation economy come up with new knowledge, creativity and with intellectual activities that emphases entrepreneurship come up with new ideas, products and services. Government has invested huge amount in innovation, R&D and investment in technology encouraged to stay competitive. One of the famous economist Schumpeter who become well known personality for his work contributed towards economic development through innovation and entrepreneurship skill. Economy will grow and develop with more knowledge, Innovation and advance technology.

Green Innovation: this comes up with new technology, product, process and business strategies that has efficient impact on environment. The one that mainly focus on environmental aspects in order to reduce environmental damage or its impact on economy and help in maximizing sustainability. Green innovation uses the new or innovative ideas negative externalities for maintaining sustainable future for upcoming generations. Encourage to adopt strategies to get away from polluting practices and move towards much clean, fresh and greener economy which improves the quality life. For eg. Building smog free tower or building, using green electricity invest in renewable energy and natural resources.

Figure 7



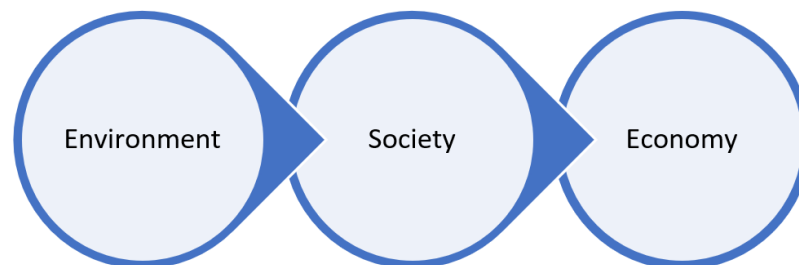
The World Conservation Strategy (IUCN/WWF/UNEP, 1980) has put the first and foremost initiative to define sustainable development is as follows:

“For development to be sustainable, it must take account of social and ecological factors, as well as economic ones; of the living and nonliving resources base, and of the long term as well as the short term advantages and disadvantages of alternative action.”

The economic implementation that embodies to attain long term economic growth without harming natural amenities and any negative externalities such as environmental distortion, market failure and social inequality. The concept of sustainability came into existence in late 1980s by the World Commission on Environment and Development (WCED 1987) in the publication of *Our Common Future*. This publication put special relevance to developing countries and environmental concerns. Ultimately, a sustainable economy seeks to create a world where prosperity is shared equitably, ecosystems are protected and restored, and human well-being is enhanced for generations to come. Sustainable economic development prioritizes quality of life over sheer GDP growth, considering factors such as well-being, happiness, and environmental health.

There are mainly three pillars of sustainable development at Local, National and Global level:

Figure 8



- **Environment:** preservation of natural resources for present and future generation

- **Society:** improvement in Living standard which in turn help in reducing poverty
- **Economy:** support to create Livelihood generation and wealth creation

3. LITERATURE REVIEW

Rui Zhou (2022) in his research paper Sustainable Economic Development, Digital Payment, and Consumer Demand: Evidence from China study how digital payment promote consumer demand and sustainable economic development. Panel data was collected, and data collection was conducted in china from 2011 to 2020 in order to evaluate the correlation between digital payment and consumer demand by constructing econometric model in order to disclose the impact of digital payment on demand of consumer and sustainable economic development. The study analyses the special and crucial role of digital payment during the phase of pandemic COVID 19 on consumer demand and sustainable economic development. The study reveals that there is significant positive impact of digital payment on consumer demand and there is obvious heterogeneity impact of digital payment on consumer demand. The Study also drawn the perspective from the different viewpoint of rural and urban areas as digital payment has significant impact on both rural and urban consumer demand and this impact is more on rural region as compared to urban region. Further from the perspective of regional differences, it reflects significant positive impact on consumer demand in the eastern and western region on the other hand the impact is not that obvious in northeast and central regions but it's too reflect positive impact.

Kruja, (2013) in his research paper Sustainable Economic Development, a Necessity of the 21st Century analyses how the concept of sustainable development has been emerged in the global economy and how to achieve its goal. Explains the relation between the concept of economic growth and sustainable development and study about income and wealth distribution among different section of society. Economic growth is the concept related to improvement in living standard with the growth in income and wealth is measured by increase in GDP and GNI. Economic development is much broader and time-consuming concept than economic growth. Economic development includes overall improvement in health, wellbeing and technological upgradation it's a qualitative improvement of the citizens it can be determined by HDI. However, economic growth is a necessary condition but not sufficient one for the process of development.

Pezzey and Toman (2002) in their review article The Economics of Sustainability: A Review of Journal Articles has reviewed 25 years article journals on economic sustainability which involve the analyses of long term decision making of concern with society ,environmental resources and usage of economic concepts like the intertemporal welfare and suggesting future review on investigating environmental issues and have clarity between economic efficiency and equity and many literature based on emphases of resource substitution and resource enhancing technical transformation.

Houssam, Ibrahim, Sucharita, El-Aasar, R-Esily, Sethi (2023), Assessing the role of green economy on sustainable development in developing countries in this research they study the role of green economy as key factor achieving the goal of sustainable development in both developed and developing economies. The study helps in examining the relationship between green economy using cross sectional data of 60 selected developing countries along with its three distinct dependent variables – GDP per capita, poverty level and unemployment rate. The result shows the significant positive relationship between green economy and GDP per capita and with the level of total unemployment, on the other hand it embodies the significant negative relationship between green economy and poverty rate in developing economies.

4. DISCUSSION

Sustainable economy is the one that embody the concept of environment, social and economic well-being with the focus of improving the living norms for both the current and future generation to come up with. Sustainable economy deals with the holistic and long-term approach to meet the need of current generation without fall to any for future generation to meet their own prioritize needs. It leads to re framing the policy including environmental aspects with transition in technology (innovation), knowledge, education, social inclusion, business strategies or models, job creation and behavioural shift to create more sustainable and resilient future scope with such new economic theories like green economy, green innovation, knowledge economy, circular economy and etc.

5. CONCLUSION

The economic theory that enhances society's well-being with the support of environmentally friendly practices. Economic sustainability includes the practices that focuses on long term growth and development which includes the impact on three main pillars to maintain sustainability - social, economic and environment, the road map to achieve sustainability. This paper is based on literature review and articles includes the relevant aspects of sustainable economics highlighting the few new economic paradigm provide in-depth insight of achieving sustainable economy. this study will suggest some guidance and for developing environment related models for clean economy that sustain for current and future generation interlinkage of such green practice to sustainable economy for better place to live.

CONFLICT OF INTERESTS

None .

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