

The Effect of Green Economy Policies on Economic Growth and the Environment

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ABSTRAK: Penelitian ini membahas mengenai pengaruh kebijakan ekonomi hijau terhadap pertumbuhan ekonomi dan lingkungan. Konsep "ekonomi hijau" menarik perhatian global karena menawarkan pembangunan berkelanjutan tanpa merusak lingkungan. Ekonomi ini menggunakan energi terbarukan, pelestarian sumber daya, dan teknologi bersih untuk mengurangi risiko lingkungan dan kelangkaan ekologi. Metode penelitian yang digunakan dalam penelitian ini adalah metode kualitatif yang menggunakan pendekatan analisis deskriptif dan studi literatur dengan menggunakan berbagai sumber data sekunder berupa buku, jurnal, dan artikel. Temuan penelitian ini menunjukkan bahwa penerapan sistem ekonomi hijau memberikan berbagai dampak terutama pada sektor ekonomi dan lingkungan.

Kata kunci: Kebijakan Ekonomi, Ekonomi Hijau, Pertumbuhan Ekonomi, Dampak Lingkungan, Pengaruh.

ABSTRACT: This research discusses the effect of green economy policies on economic growth and the environment. The concept of "green economy" is attracting global attention because it offers sustainable development without damaging the environment. This economy uses renewable energy, resource conservation, and clean technology to reduce environmental risks and ecological scarcity. The research method used in this research is a qualitative method that uses a descriptive analysis approach and literature studies using various secondary data sources in the form of books, journals, and articles. The findings of this study indicate that the implementation of the green economy system has various impacts, especially on the economic and environmental sectors.

Keywords: Economic Policy, Green Economy, Economic Growth, Environmental Impact, Influence.

1. INTRODUCTION

The notion of a "green economy" has attracted much attention from academics, practitioners, and policymakers around the world in recent decades. An economy that strives for sustainable development without negatively impacting the environment while minimizing environmental risks and ecological scarcity is referred to as a "green economy." Using renewable energy, conserving resources, improving waste management, and advancing clean technologies are just some of the policies and tactics that are part of the shift towards a green economy.

This shift is driven by the need to find sustainable avenues for economic growth while raising environmental awareness. However, the implementation of green economy policies often raises concerns about how they will affect environmental and economic conditions. According to some studies, green economy initiatives can

promote long-term economic growth, job creation, and innovation. However, there are concerns that these changes will be costly and may hinder economic growth in the near future.

The green economy is currently being developed as an idea. The idea of a “green economy” is an alternative to economic growth that is based on the depletion of the environment and natural resources. based on the utilization of the environment and natural resources. A green economy is a giant leap away from economic practices that are concerned with short-term profits, which have left a legacy of problems that need to be addressed, including driving a low-carbon economy (Wahyuni dalam Adiningsih, 2007).

The knowledge and technologies underlying the green economy seek to minimize the impact of human economic activity on climate change and global warming while recognizing the interdependence of natural ecosystems and human resources. Improving environmental conditions and increasing prosperity can be achieved by promoting a green economy through investments in biotechnology, energy-efficient products, creative industries, and eco-friendly lifestyles. The green economy is believed to be one of the solutions to climate change (Yasa, 2010).

2. METHOD

This research uses a qualitative research method that uses a descriptive analysis approach, including analysis and review of various sources. The research methodology used is a literature study using various secondary data sources in the form of books, journals, and articles. The data collection method used in this research is documentation, which is looking for information about objects or variables in the form of books, journals, papers, notes, and other materials. Research data sources for analytical techniques include articles and literature that are analyzed for content. In this journal, we will discuss the effect of green economic policy on economic growth and the environment. This research information uses secondary data (Wishanesta, 2024).

3. RESULT AND DISCUSSION

3.1 The Three Pillars of Sustainable Development and the Impact of the Pandemic on the Green Economy

The three pillars of sustainable development are social, environmental, and economic, with sustainable economic growth defined as expansion that does not deplete the stock of economic capital. Biodiversity and a stable climate are components of environmental sustainability. A green economy is defined as low-carbon, resource-efficient, and socially inclusive (Anwar, 2022). Public and private investments in economic activities, assets, and infrastructure that facilitate reducing carbon emissions and pollution, improving energy and resource efficiency, and preventing the loss of biodiversity and ecosystem services are key drivers of job and income growth in the green economy. In 2020, as communities around the world struggled to contain the spread of COVID-19 and control health costs, governments enacted a range of policies to mitigate the social and economic impacts of the pandemic. To cope with the pandemic, mobility

restrictions and other public health measures led to the biggest global economic crisis in more than a century.

3.2 Green Economy Principles as a Guide to Sustainable Development Policy

The concept of a green economy is essential to guide sustainable development policies, as it gets to the heart of the matter and also organizes the economy in a way that is compatible with local and global ecological conditions and long-term dynamics. In the coming decades, climate change, biodiversity loss, rising inequality, and other issues will pose major challenges to humanity. The concept of sustainable development seeks to address the negative impacts of economic activity and unplanned economic growth on the environment. The growth pattern known as sustainable development considers the balance of the natural environment (Mursid et al., 2024).

An inclusive green economy is circular, resource-efficient, low-carbon, and diverse. The diverse values of nature, the practical values of supplying goods and services that support the economy, the cultural values of nature that support society, and the ecological values of nature that support all life are all recognized and nurtured by an inclusive green economy. The principles of efficiency and sufficiency state that the goal of a green economy is to promote sustainable production and consumption. The principles of good governance—cohesive, accountable, and strong institutions—drive the green economy. An inclusive green economy applies good science and economics in strategic planning by incorporating local knowledge. It is evidence-based, with multidisciplinary norms and institutions. In addition to regional expertise for flexible tactics. flexible tactics.

3.3 Green Economy Guiding Principles and Global Environmental Challenges

The idea of a green economy is to send the same message, however, the wording can be differentiated in a way to re-emphasize the recognition that economic development is the primary vehicle for achieving sustainable prosperity (Zahari MS & Sudirman, n.d.). Under the green economy, there are five guiding principles for economic development. A green economy must, first, be able to bring prosperity to all. Second, a green economy should also be able to build equality between generations. Third, a green economy should be able to finance, maintain, and restore various natural resource-centered operations. Fourth, sustainable levels of production and consumption must be anticipated. Fifth, it must be supported by a strong, integrated, and accountable system.

There are many warning indicators emerging, such as widespread pollution and depletion of natural resources in many countries. It is clear that the deterioration of environmental factors impacts economic growth, so companies need to make plans to preserve and enhance these elements. Due to society's increasing awareness of the risks that productive activities pose to the environment and the environment itself, the environment and the economy are currently interacting at a high level. These activities cause pollution processes that impact land, water, air, and biodiversity resources, which then impact social dynamics. impact social dynamics.

3.4 Development Capital and Challenges in the Transition to a Green Economy

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In a green economy, wealth-building capital-also referred to as financial, technological, and physical capital-is generated at the cost of over-reliance on fossil fuels, resource depletion, and environmental degradation (Anwar, 2022). However, the green economy is geared towards natural capital, which has the potential to thrive. Eight important economic sectors must be taken into account to make the shift to a green economy: they must be able to reduce poverty, invest in natural capital and its recovery, create jobs and improve social equity, and support energy efficiency and renewable energy.

The first barrier to realizing green economy goals is the social transformation required. Many people and businesses are not ready for this change. In many countries, the concept is still far from reality. The second challenge is the transition to a green economy that developing countries must make (Soesanto, 2022). The result is a green economic system that creates wealth by utilizing natural resources sustainably and efficiently. This system is not only focused on economic improvement but is also committed to preserving the environment. By reducing ecological risks and scarcity, a green economic system ensures that natural resources can be enjoyed by future generations. This includes innovations in green technology, the use of renewable energy, and better waste management, all of which contribute to sustainable and healthy development.

In addition, the green economy system also plays an important role in improving people's living standards. By creating new jobs in sectors such as renewable energy, sustainable agriculture, and waste management, it helps reduce unemployment and alleviate poverty. At the same time, a focus on social equity ensures that the benefits of green growth accrue to the whole of society, not just a few. Thus, a green economy not only creates material well-being but also advances social welfare and justice for all.

4. CONCLUSION

Achieving the goals of a green economy is fraught with difficulties, such as the requirements for a true social revolution and the extent to which businesses and society are ready for this change. The idea of a green economy is still far from reality in many countries, especially developing countries (Soesanto, 2022). However, a green economy will also generate wealth, guarantee high living standards by reducing ecological risks and scarcity, create jobs, and eradicate poverty by promoting social welfare and justice.

Adopting a green economy is the best way to protect the planet from the threats posed by global warming, climate change, and worsening environmental degradation. An inclusive green economy promotes sustainable production and consumption, applies the principles of efficiency and sufficiency, and promotes good governance. The five guiding principles for a green economy include prosperity, intergenerational equity, stewardship of natural resources, sustainable production and consumption, and support by strong and accountable systems.

The main challenges of a green economy are pollution and loss of natural resources, as well as societal and corporate readiness for change. Although the concept is still far from reality in many countries, especially developing countries, a

green economy has the potential to create wealth, improve living standards, generate employment, and reduce poverty by advancing social welfare and justice.

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