

# Fostering Sustainable Investment Behaviour

*A Paradigm Shift towards Green Economic Growth*

*Edited Book*



*Editor*

*Dr. Minakshi Duggal Mehta*

*Co-editors*

*Mrs. Meera Kohli, Dr. Shalini Bora, Dr. Seema Khanna*

**HANS RAJ MAHARAJA MAHA VIDYALAYA, JALANDHAR**

**Sponsored by CSSR, New Delhi**

# Role of Sustainable Investment in Economic Growth

Vani Arora

*Assistant Professor*

*PG Department of Economics,*

*Hindu College, Amritsar*

*vanisainiarora@gmail.com*

Priyanka Mahajan

*Assistant Professor,*

*PG Department of Economics,*

*Hindu College, Amritsar*

## Abstract

*For the growing business, industry and service sector in any country, investment plays an important role. In developing economies, the challenge is to integrate social, economic and environment investment strategies with sustainable development goals for long term benefits. Sustainable investment works on decreasing the precarious investment which harms the society and nature and reinforces the rational use of resources without hampering the growth. The quality of investment can be improved through different ways, which further give rise to new economic opportunities and strengthen sustainable investment. But still there is ignorance about sustainable issues among the masses, and lack of suitable indicators to effectively measure the progress of investment sustainability. To promote sustainable investments for the growth of the economy, there is urgency for effective public, private-public and civil society partnerships.*

*Key Words: Social, Economic, Sustainable, Investment, Environment*

## 1. Introduction

Most of the economies in the world are growing at a faster rate. In such economies, industrialization holds the key to providing solutions to the problems of low economic growth. For accelerating the rate of growth in these economies, continuous investment is required for meeting the demand of a challenging economy. The investment mechanism proposes how an investor makes a choice and decision of where, and when to invest. Investment is risky and it involves the reward for foregoing the present income to obtain future rewards. It is about the appreciation of the assets and creating productive activities in the economy. Basically there are two types of investment: real and financial. Real investment refers to some kind of tangible asset, such as land, vehicles, products, machinery or furniture. On the other hand, financial investment calls for contracts such as bonds, mutual funds and

stocks. Both investments reflect and influence the health of the economy. An investor can be a single individual or an institution or set of institutions but without clear motive, vision and targets, unsatisfactory results prevail. In order to weigh up the benefits of various productive activities, the term sustainability was introduced in the reformed era. Therefore, a sustainable investment goal is to bring maximum output from minimum investment by optimum utilization of resources, so that it improves social, economic and environmental health of a nation. It is so important for organization to set specific goals and form the policy to achieve these goals. It focuses on logical and disciplined investments for better results.

In modern times, excessive energy use and industrial growth exacerbated the economic issues like unemployment, poverty, inequality and shortages of resources. Also the rising populations lead to hunger, social imbalance and inequalities in the economy. The boisterous lifestyles and extravagant consumption threaten the ecological balance on the earth. There are shortfalls of resources, many people in underdeveloped countries are unable to receive basic human necessities like adequate food, clothing, shelter and health and many of them lack basic education.

Exploitation of natural resources by overgrowing and cutting of forests for cultivation lead to severe environmental damages. Rapid population growth lead to poverty and low status of family members especially women and children. Moreover the pollution created by increasing scale of economic activity in terms of rapid industrialisation, commercialization, urbanisation and over consumption lead to rapid depletion of natural resources and spoiling the environment ultimately resulting in spreading of diseases. Threat to ecological balance of the eco-system is increasing that negatively impacts social and economical systems in the country. So, there is a need to take initiatives together in the field of sustainable development that is everlasting and contribute to the quality of life of everyone in the biosphere.

Social, natural and economic environments are interlinked. Any shift in one sector brings change in another. Natural environments supply utility to individuals and act as inputs for economic processes that support life. On the other hand, sustainability contributes to the quality of life of all people through increase in real per capita income, improvement in education, health and general quality of life and improvement in quality of natural environmental resources, for the present generation without compromising the needs of future generations. A shift in behaviour and working activity towards sustainability will put the resources in the right framework of utility and optimally benefit the society as a whole. It will increase economic benefits through expanding businesses and providing employment opportunities to all the sections of society without discrimination, provide training to the youth for improving service quality for new technical and self-employment ventures. These strategies will enhance the livelihood, improve the standard of living and increase the growth of the economy with equality.

For growing businesses, industry and services in any country, Investment plays an important role. In developing economies, the challenge is to integrate social, economic and environment investment strategies with sustainable development goals for long term benefits. The present study discusses the ways of sustainable investment in economic growth. It will also reveal the threats and challenges.