

Forest Ecosystem and Green GDP

Why in News?

Recently, Chhattisgarh became the first state in India to link its forest ecosystem to the <u>Green Gross Domestic Product (Green GDP)</u>.

 This approach highlights the economic and environmental value of forests, focusing biodiversity conservation and climate change mitigation.

Key Points

- Goals and Design of the Action Plan:
 - The plan **ensures economic progress while preserving the environment** for future generations.
 - Key benefits like climate regulation, soil enrichment, water purification, and carbon absorption will now be integrated into the state's economic planning.
- Importance of Forest Resources in Chhattisgarh:
 - With 44% of its land covered by forests, Chhattisgarh's natural resources are vital to millions.
 - Forest products such as tendu leaves, lac, honey, and medicinal plants significantly boost the rural economy.
 - Forests absorb <u>carbon dioxide</u>, playing a crucial role in combating <u>climate change.</u>
- Alignment with National Vision:
 - The initiative aligns with the Prime Minister's vision of a "Developed India 2047."
 - The plan emphasizes both the economic and environmental benefits of forests in <u>budget planning</u> and policy-making.
- Findings from ISFR Report:
 - The India State of Forest Report (ISFR) highlights a significant rise in forest and tree cover in Chhattisgarh, attributed to biodiversity protection and conservation efforts.
- Cultural and Employment Significance:
 - Forests in Chhattisgarh hold **religious and cultural significance**, deeply tied to tribal traditions and spiritual solace for local communities.
 - Forests contribute to employment through <u>eco-tourism</u> activities such as jungle safaris and camping in <u>national parks</u>.
- Ecosystem Services Valuation:
 - To quantify the economic value of forests, scientists will assess their ecosystem services, including:
 - Clean Air:
 - Quantifying CO2 absorption by trees and its conversion into oxygen.
 - Adding its market value to Green GDP.
 - Water Conservation:
 - Measuring the **economic impact of water provided by forests** through rivers and springs.
 - Biodiversity:
 - Valuing the role of forest fauna in maintaining ecological balance and aiding agriculture.

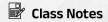
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Green Gross Domestic Product (Green GDP)

- **Traditional GDP:** A measure of the **annual value of goods and services** produced within a country, **GDP** has been the global standard since 1944.
 - Simon Kuznets, the economist who created GDP, stated that GDP doesn't reflect a nation's true welfare, as it ignores factors like environmental health and social wellbeing.
- Green GDP: It is a modified version of traditional GDP that accounts for the environmental costs of economic activities.
 - It incorporates factors such as natural resource depletion, environmental degradation, and pollution into the economic output, offering a more comprehensive picture of a nation's true wealth.
- Need for Green GDP: Traditional GDP overlooks sustainability, environmental degradation, and social welfare. It focuses solely on economic output without considering the long-term consequences on the environment.
 - Green GDP, on the other hand, ensures that economic growth aligns with sustainable practices, reflecting the true cost of environmental damage and the depletion of natural resources.
- Formula:
 - According to the <u>World Bank</u>, Green GDP = NDP (Net Domestic Product) (Cost of Natural Resource Depletion + Cost of Ecosystem Degradation).
 - Where NDP = GDP Depreciation of Produced Assets.
 - Cost of Natural Resource Depletion refers to the value lost due to overuse of natural resources.
 - **Cost of Ecosystem Degradation** refers to the value lost from environmental damage such as pollution and deforestation.

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