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# Economic Potential of the Green Economy: Renewable Energy, Sustainable Agriculture and Green Finance

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**Abstract--** The shift toward a green economy denotes a considered pathway for attaining sustainable development while concurrently inspiring resilience and growth in economy. My paper assesses the economic prospective of renewable energy sectors especially hydro power, solar and wind as main carters of employment generation, development and technological innovation. It evaluates how growing renewable energy infrastructure decreases long-term energy expenses, improves energy security, and decreases dependence on fossil fuel imports, thus firming regional and national economic stability. This study discusses that investing in renewable energy not only reports environmental concerns but also purposes the job of a facilitator for green job creation and industrial diversification. Besides the energy sector, the research studies opportunities in circular economy and sustainable agriculture as interlinked pillars of green growth. Practices of sustainable agriculture, including organic inputs, resource-efficient irrigation, and climate-resilient cropping systems, are evaluated for their capacity to increase yield whereas preserving ecosystems. Meanwhile, circular economy models based on recycling, reuse and waste-to-resource policies are studied as mechanisms for improving resource efficacy, decreasing production costs, and actively encouraging service and manufacturing industries. The paper also reviews green investment finance mechanisms necessary for scaling these sectors, with specific attention to mobilizing green finance through climate funds, public-private partnerships, green bonds and helpful policy instruments. It assesses how these financial channels can attract international and domestic capital while reducing investment risks. The outcomes suggest that targeted financial incentives, synchronized policy frameworks and institutional support are critical to get to the bottom of the full economic potential of green sectors. Eventually, the study concludes that integrating sustainable production systems, renewable energy expansion and innovative financing models places the green economy as a powerful engine for environmental sustainability, inclusive growth and long-term economic transformation.

**Keywords--** Green Economy, Renewable Energy, Sustainable Development, Green Finance, Circular Economy, Sustainable Agriculture, Climate Change, Economic Growth

## I. INTRODUCTION

The idea of the green economy has attained considerable responsiveness in recent decades due to growing concerns about resource depletion, climate change and environmental degradation.

Outmoded economic growth models are mainly depending on fossil fuel consumption and intensive resource extraction causing significant ecological imbalances. In reaction to these policymakers, challenges, researchers and international organizations have supported for the transition toward a green economy that encourages sustainable development while safeguarding economic prosperity.

A green economy is usually defined as an economic system that causes enhanced human well-being and social equity whereas considerably reducing ecological scarcities and environmental risks.<sup>1</sup> The shift to such an economic model needs considerable investments in sustainable agricultural practices, renewable energy technologies, resource-efficient industries, and innovative financial instruments which encourage environmentally responsible projects.

Renewable energy has turn out to be one of the greatest prominent pillars of the green economy. Fast advancements in wind, solar and hydropower technologies have allowed countries to decrease their dependency on fossil fuels while making new employment opportunities and nurturing economic growth. Simultaneously, sustainable agricultural practices are being progressively known as essential for ensuring preserving biodiversity, food security and maintaining ecological balance.

Moreover, green finance mechanisms play an important role in easing the shift to a sustainable economy. Instruments such as climate funds, green bonds and environmental investment funds allow private entities and governments to finance projects which support environmental sustainability.

This research paper assesses the economic potential of the green economy by investigating the contributions of sustainable agriculture, renewable energy and green finance. It also surveys relevant policy frameworks and recognizes strategies that can improve the efficiency of green economic initiatives.

## II. LITERATURE REVIEW

The idea of the green economy has been widely explored in academic and policy literature. Scholars have emphasised the potential of environmentally sustainable economic models to produce employment, decrease poverty, and endorse long-term economic stability.<sup>2</sup>



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According to the United Nations Environment Programme (UNEP), shifting towards a green economy can considerably add to economic resilience while decreasing environmental risks.

Numerous studies have highlighted the function of renewable energy as a catalyst for economic development. Research lead by the International Renewable Energy Agency (IRENA) shows that renewable energy sectors generate millions of jobs globally and back significantly to national economic growth.<sup>3</sup> Investments in renewable energy infrastructure too encourage industrial development and technological innovation.

Sustainable agriculture has also established significant attention in green economy research. Scholars claim that sustainable farming practices not only improve productivity but also add to water management, soil conservation and biodiversity preservation.<sup>4</sup> Furthermore; sustainable agriculture plays an important role in addressing food security challenges and assisting rural livelihoods.

An additional significant area of research concerns green finance mechanisms. The improvement of green bonds and climate finance initiatives has enabled the mobilization of large-scale investments for environmentally sustainable projects.<sup>5</sup> Financial institutions and governments have progressively acknowledged the importance of directing capital toward projects that back environmental sustainability and climate mitigation.

Regardless of these advancements, numerous challenges remain, comprising technological barriers, limited financial resources and policy implementation gaps.

Subsequently, researchers continued to explore policies for improving the efficiency of investment frameworks and green economic policies.

**III. RENEWABLE ENERGY AS AN ECONOMIC DRIVER**

Renewable energy characterizes one of the most important drivers of the green economy. Contrasting fossil fuels, renewable energy sources like wind, solar and hydropower are plentiful, sustainable, and environmentally friendly. The acceptance of renewable energy technologies has amplified rapidly over the past decade because of declining costs and growing environmental awareness.

Investment in renewable energy infrastructure produces employment opportunities through various sectors, comprising installation, manufacturing, maintenance, development and research. As per the global energy reports, the renewable energy sector provides millions of jobs globally and stays to grow as countries transition to cleaner energy systems.

Moreover, renewable energy backs economic stability by decreasing dependence on imported fossil fuels. Countries that invest greatly in renewable energy can boost their energy security while decreasing vulnerability to variations in global gas and oil prices.

Hydropower continues as one of the most commonly used renewable energy sources worldwide, predominantly in regions with plentiful water resources. Likewise, wind and solar energy have shown significant growth because of supportive policy frameworks and technological advancements.

**Table 1:**  
**Global Renewable Energy Capacity Growth (2015–2024)**

<b>Year</b>	<b>Solar (GW)</b>	<b>Wind (GW)</b>	<b>Hydropower (GW)</b>
2015	227	433	1064
2018	505	591	1132
2020	760	743	1170
2022	1050	906	1200
2024	1419	1017	1250

*Source: International Renewable Energy Agency (IRENA)*

**IV. SUSTAINABLE AGRICULTURE AND CIRCULAR ECONOMY**

Sustainable agriculture is a vital element of the green economy. Outmoded agricultural practices frequently result in excessive water consumption, soil degradation and biodiversity loss.

Sustainable farming methods aim to diminish environmental effects while maintaining productivity and safeguarding long-term agricultural sustainability.

Practises such as organic farming, crop rotation, integrated pest management and water-efficient irrigation systems contribute to environmental sustainability and enhanced soil health.



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These methods not only increase agricultural productivity but also support food security and rural employment.

The circular economy compliments sustainable agriculture by promoting waste reduction and resource efficiency. Instead of the outmoded linear economic model—“take, make, dispose”—the circular economy highlights recycling, reusing, and regenerating resources.

**Table 2:**  
**Benefits of Sustainable Agriculture**

Practice	Environmental Benefit	Economic Benefit
Crop Rotation	Improves soil fertility	Higher productivity
Organic Farming	Reduces chemical pollution	Premium market prices
Efficient Irrigation	Saves water resources	Lower production costs
Agroforestry	Enhances biodiversity	Diversified income

**V. GREEN INVESTMENT AND FINANCE MECHANISMS**

Green finance indicates financial investments that are in support of environmentally sustainable initiatives and projects. Financial institutions, governments and international organizations have progressively recognized the significance of mobilizing financial resources to upkeep the transition toward a green economy.

Green bonds denote one of the most significant innovations in green finance. These financial instruments are specially designed to fund schemes that have positive environmental effects, including energy efficiency, renewable energy, sustainable transportation and climate adaptation projects.

Climate funds recognized by international organizations also play a vital role in funding environmental initiatives. These funds deliver financial support to developing countries for implementing climate adaptation and mitigation strategies.

**Table 3:**  
**Global Green Bond Market Growth**

Year	Market Size (USD Billion)
2016	87
2018	171
2020	269
2022	487
2024	600+

*Source: Climate Bonds Initiative*

**VI. ECONOMIC IMPACT OF GREEN ECONOMY SECTORS**

The economic impact of green economy sectors spreads afar environmental welfares. Investments in sustainable agriculture, renewable energy and green infrastructure contribute to technological innovation, job creation and long-term economic stability.

**Table 4:**  
**Employment in Green Economy Sectors (Global Estimates)**

Sector	Jobs (Millions)
Renewable Energy	13.7
Sustainable Agriculture	10.5
Energy Efficiency	4.2
Recycling & Waste Management	3.5

*Source: International Labour Organization (ILO)*

**VII. POLICY IMPLICATIONS**

The effective transition to a green economy needs widespread policy frameworks and institutional support. Governments need to implement policies that encourage investments in sustainable agriculture, renewable energy and environmentally responsible industries.

Main policy methods include subsidies for renewable energy projects, tax incentives for green technologies and regulatory frameworks that encourage environmental sustainability. In addition to this, governments should encourage public-private partnerships to organize technological expertise and financial resources.

International cooperation is also important for addressing environmental challenges worldwide. Cooperative initiatives between international organizations, governments and private sector actors can considerably improve the efficiency of green economy strategies.

**VIII. CONCLUSION**

The green economy denotes a transformative method of attaining sustainable development while promoting social well-being and economic growth. By incorporating sustainable agricultural practices, renewable energy development and innovative financial mechanisms, countries can considerably decrease environmental degradation while increasing economic resilience.



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Renewable energy technologies offer sustainable alternatives to fossil fuels and contribute to energy security and employment generation. Circular economy and sustainable agriculture practices further support environmental conservation while enhancing rural livelihoods and food security. Meanwhile, green finance mechanisms enable the mobilisation of investments needed for applying environmentally sustainable projects.

In spite of the many opportunities presented by the green economy, numerous challenges remain, including technological barriers, financial constraints and policy implementation gaps. Addressing these challenges needs coordinated efforts between financial institutions, governments, private sector and the researchers.

Eventually, the shift toward a green economy is not only an environmental requirement but also an economic opportunity. By implementing sustainable development strategies and supporting green investments, societies can attain long-term economic prosperity while conserving the planet for future generations.

#### FOOTNOTES (BLUEBOOK STYLE)

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