



CONTRIBUTION OF CARBON CREDITS TRADING TO OUR SOCIETY AND A STEP TOWARDS GREEN ENVIRONMENT

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ABSTRACT:

In today's scenario Global Warming is costing a lot of money, so Green Environmentalist aims to promote policy and business that works for the environment. Carbon dioxide, the most important greenhouse gas produced by combustion of fuels, has become a cause of global panic as its concentration in the Earth's atmosphere has been rising alarmingly. This has created an opportunity for the trade of carbon credits both within and outside of the regulated area, thereby creating a global "carbon market". In this system of carbon trading, controls are imposed on Green House Gas (GHG) emissions under the Kyoto Protocol, and the pre-decided emission limits are then allocated across countries, which have to control the greenhouse gas emissions from the various industries and commercial units operating within them. Global climate change is becoming an alarming problem of the 21st century, with global warming as the biggest challenge.

Keywords: *Carbon Trading, Kyoto Protocol, Green House Gas(GHG) emissions.*

INTRODUCTION:

The earth is unique to have got an environment with its own chemical composition. It also includes components that serve as power houses of energy to run all the environmental systems in it. But the main source of energy for the Earth is the Sun. It has been observed that a part of the incoming energy from the Sun is reflected back to space due to the presence of ozone layer that surrounds the Earth and is retained by Earth's gravity. The Earth's atmosphere is made of gases comprising of Nitrogen, Oxygen,

Carbon dioxide which form around 99% of the entire composition. By volume, the dry air contains about 78% Nitrogen, nearly 21% Oxygen, around 0.036 % Carbon Dioxide and the other gases make up nearly up to 0.964%. Nitrogen and Oxygen are very important for supporting life on the Earth. Carbon dioxide is essential for all green plants and plays an important role in photosynthetic activity, thus sustaining and balancing the food chains on the planet.

Due to industrialization many harmful activities of human beings have

come into practice, such as burning of fossil fuels, burning of plastic and polythene, destruction of forests to expand urbanization and all this has led to an increase in the level of greenhouse gases, especially carbon dioxide, in the atmosphere.

OBJECTIVES:

1. To discuss the contribution of carbon credits trading to our society
2. To know the role of carbon credits in green environment

CONTRIBUTION OF CARBON CREDITS TRADING TO OUR SOCIETY:

The present research has several findings which are directly and indirectly related to the society. These findings are having some contributions to our society and the researcher explains some contributions in the following points:

- Carbon Credits Trading helps to reduce the carbon emission significantly. Therefore, the best contribution of this concept is that society has got a pollution free environment.
- This concept provides a new trade in the system and many organizations are having future plan to invest huge funds in different carbon reduction projects. Therefore, lots of opportunity will create in the

market and unemployment will be reduced.

- Global warming is now a huge threat to the society and this concept is directly related to the carbon emission reduction. Therefore, society has to sustain an ecological balance in the environment.
- Carbon Credits Trading provides lots of opportunities for the global investors to invest their funds. Therefore, foreign investors invest a significant amount of their funds in different projects in India; this investment will provide some indirect help to the society in the form of other businesses development.
- At Last, this concept will also encourage the people in societal activities like tree plantation which would help reduce soil salinity, improve water and air quality and enhance biodiversity, reduction in use of carbon emission equipment's as much as possible in daily life.

KYOTO PROTOCOL:

The Kyoto Protocol was initiated by the United Nations Framework Convention on Climate Change and ratified by 181 countries and the European Union as a whole, individual entity in 1997, and was put into effect in 2005. This protocol was proposed by the international community to address

and reduce greenhouse gas emissions that have led to global climate change. The Protocol makes it mandatory for commercial entities emitting above the permitted limit of carbon dioxide to cut down their emissions to prescribed levels, or they should buy carbon credits certificates which can be transacted in the market, or alternatively pay a charge for the emissions, which is referred to as carbon tax.

ROLE OF INDIA IN CARBON CREDIT:

India is emerging as a serious player in the global carbon credits market. This has prompted originator, developer and trader of carbon credits, to set up office in India.

Carbon credit is very emerging domain now a days especially in India but very few corporate are aware of this emerging segment. At present it is quite essential to create awareness about this business segment.

Foreign companies which cannot fulfil the norms can buy the surplus credit from companies in other countries.

CARBON OFFSET – METHODS TO SAVE THE ENVIRONMENT:

Carbon offset is another financial solution to reduce greenhouse gas emission, which works on a similar strategy. A carbon offset credit is equivalent to reduction of one metric ton of CO₂ or equivalent greenhouse gas in the atmosphere. It immensely aids in

promoting renewable and green energy options like solar energy and wind energy, and in funding projects on nature conservation and reforestation. Using cleaner and renewable energy sources like wind and tidal energy helps to achieve this crucial reduction. Even individuals are also using this method and are buying carbon offset to make the environment cleaner and to spread awareness about environment conservation. Buying carbon offset is straightforward and can be conveniently executed on the internet through one of the several carbon offset provider websites. But we must keep in mind that simply buying carbon offset does not take away our responsibilities, as all of us can play an important part in decreasing our carbon footprints by bringing small modifications to our daily lives. These small modifications can be of immense help in preventing further environmental degradation.

SUGGESTIONS:

In the light of foregoing analysis, findings and observations, some broad suggestions have been recommended to the government and organizations. The present research has indicated some of the facts about carbon credits trading for the manufacturing sector in India. So based on these observations, some specific suggestions are as follows:

1. The carbon credits' trading is still a new concept in India. So government should initiate some

workshops, conferences and advertisement campaign for spreading the awareness about carbon credits trading.

2. Several organizations are interested in carbon credits trading, but they hesitate in this trading because they think that it is quite complex. Hence workshops, regarding carbon credit trading, must be organized.
3. The environmental rules and regulations in India are quite tough to understand; so the related authorities have to design some easy rules and regulations, so that the manufacturing organizations can easily understand and followed.
4. During the research, the researcher identified that presently in India, there may be no law related to carbon credits trading. So, Government of India should create some laws related to carbon emission reduction.

CONCLUSION:

Mass awareness on the issue through widespread education is required, to provide our future generations the better cleaner environment. Carbon offset and carbon credit still needs to find its place in layman's vocabulary. Thus, mass awareness on the issue through widespread education is required, to provide our future generations the better cleaner environment. But still the increased demand flowing to carbon credits and the introduction of newer financial instruments for emission trading are all signs of heightened activity. It can also be concluded that India is an emerging leader for the developing countries in designing innovative strategies and portfolios for carbon trading.

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