The current economic instability is the result of under regulated markets built on an ideology of free market capitalism and unlimited economic growth. Since the onset of industrialization and conceptualization of economic theories various externalities are not considered as a part of economy. They were assumed to be relatively small and solvable. The consequences that declare an economic model unsustainable always follow with a lag and unpredictably. Gradually the planning and decision making on various economic fronts has always considered an incomplete picture.

But considering various economic failures in the new context, we have to remember that the goal of the economy is to sustainably improve human well-being and quality of life. Ultimately we have to follow innovative approaches while designing new models of economy that consider various outcomes in entirety.

The indisputable truth is that for economic growth we have to juggle among various scarce resources, but final aim is to reach for new models which help us to conceptualize sustainable economic scenarios.

According to Brundtland Report sustainable economic development means “meeting the needs of the present without undermining the ability of future generations to meet their needs”. For such a sustainable economic model to exist various financial practices, human cost factors, and existing economic models need to be considered collectively. The economic practices that are useful today may become sustainable by supplementing them with new innovations.

**VARIOUS SECTIONS OF ECONOMY THAT CAN TURN SUSTAINABLE THROUGH INNOVATION**
An Indicator based improved approach to monitor progress towards sustainable economy is required. United Nations CSD (Commission on Sustainable Development) indicators of sustainable development can be used to understand scope of innovations.

### Economic development

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor</td>
<td>-</td>
</tr>
<tr>
<td>Scope for innovation</td>
<td>- Developing models that can balance the impact of social and environment cost of production and consumption</td>
</tr>
</tbody>
</table>

**Impediments to the Reform of National Economic Indicators**

Innovative and holistic approach to internalize environment cost in National Accounts is required. It will apply environmentally adjusted economic indicators to the decision making processes.

Doing so would mean a major reduction in the level of GNP, which few governments would want as it will present a poor grade report. Also, the lack of international coordination hampers the development of a universally comparable framework for internalization, which prompts many
governments to take a wait and see attitude. So to internalized environmental cost into existing system of economic indicators innovative rollouts require systematic implementation at supranational government level. This will provide an appropriate valuation of natural resources and will make economic considerations more comprehensive.

Even when the existing SNA (System of National Accounts) remains in place, efforts to internalize environment costs in economic indicators can at least provide information on the real costs of economic growth which is not available now.

**Japan’s experience at reforming SNA**

Net National welfare was calculated as an adjusted GNP. Actual pollution abatement costs were identified and deducted from GNP, so were the potential costs of meeting environmental standards for specific pollution problems. The value of non-market activities was added to GNP. This approach helped in determining the level of sustainability of the economy.

**Governance**

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor</td>
<td>:</td>
</tr>
<tr>
<td>Scope for Innovation</td>
<td>:</td>
</tr>
</tbody>
</table>
Innovating network security models ensures controlling any vulnerability and maintains sustainability of e-commerce. Absence of secure systems leads to undetected risks for economy, and improper decision making.

In today’s globalized market, defences at the physical borders are not enough to achieve sustainability. The flow of transactions and critical information needs high level of defence settings. This calls for continuous innovation in technology so as to guard off any threat on cyber frontiers (Refer Figure-1)

Figure-1: Growth in the number of financial institutions whose clients were targeted using malicious programs to steal data.

**Environmental health**

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor</strong></td>
<td>:</td>
</tr>
<tr>
<td><strong>Scope for Innovation</strong></td>
<td>:</td>
</tr>
</tbody>
</table>
Environment provides various resources required for economic development. Unsustainable economic growth results out of improper planning and forecasting due to ignorance of certain factors that are not directly related to production. Hence scope for innovation lies while designing the simulation models which can bring together various departments to act in unison to gauge the impact of any economic change. This can uncover a huge scope to reduce load on resources and to promote long term sustainability.

Industrial society must invent better production processes that are energy and material efficient. This approach must avoid wasteful consumption and consumerism. The supply chain of goods must include parallel running reverse salvation chain to collect the discarded material. This can be done by innovating and organizing the model for scrap industry.

*How innovation can solve economic issues at micro level.*

New product innovations can reduce the burden on economy by decreasing the demand for energy. This is explained in the below cases:

**Case 1:** Innovating efficient lighting systems

(Refer Table-1)

**Case 2:** Innovating Architecture designs for self sustained cities.

Centralized development model has led to rise of mega cities at the expense of rural areas. This resulted in high levels of unemployment and poor quality of life in rural India and large scale migration of the population to big cities. This migration is a result of lack of sustainable agriculture in rural area. Hence we need to look for decentralized model of development.
Industrialization has created significant challenges for managing economic growth while preserving the ecological systems that support life and production. It is essential to shift from a "growth at all costs" model to one that recognizes the real costs and benefits of growth. Hence, there is a need for innovation across various sectors to develop sustainable economic models.

**CONCLUSION**

The agriculture sector in India has faced several challenges, including the green revolution which reached its saturation level by 1985. Innovations in this sector include initiatives like the AFIT (Agri-Food Innovation Trust) which undertakes several dozen new initiatives each year. These initiatives are organized according to several main lines of approach.

For capacity building, particularly in understanding environmental issues, MOEF (Ministry of Environment, Forests, and Climate Change) has started a program to set up eco-clubs in schools with MOEF assistance. As of the tenth plan, over 50,000 schools are expected to participate in NGC-related activities, with 3000 eco-clubs set up in schools.

**Examples of Sustainable Development Initiatives**

- **Saving Water**: The U.S. Agency for International Development has been involved in an initiative to create an Alliance to Save Energy, which has led to the design of sustainable Watergy solutions for municipalities. This innovative approach includes partnerships with municipalities to make energy use and water saving more efficient.

- **Energy Efficiency**: A sustainable city can feed itself with minimal reliance on the surrounding countryside, and it minimizes the inputs of energy, water, and food, as well as reducing waste. An example is the Coyote Springs Nevada project, which is the largest planned city in the United States.

- **ITC's e-Choupal**: ITC's Agri-Business Division has developed an innovative supply chain model, e-Choupal, which virtually clusters all the value chain participants. This business model leverages IT to enhance the competitiveness of Indian agriculture, trigger a virtuous cycle of higher productivity, higher incomes, and enlarged capacity for farmer risk management.

Innovation in education is crucial for sustainable economic development. Education must adapt to changing social and economic needs, and India's education system is reinventing itself as a facilitating and supervisory organization. This involves the development of innovative IT models to virtually cluster all the value chain participants.

- **Global Trade Partnership**: Efficient trade partnerships contribute to the economy by making it sustainable, reducing inflation, and ensuring timely supply of commodities.