

***Green Economy as a Strategic Option
for the Sustainability of Industrial Property***
الاقتصاد الأخضر كاختيار استراتيجي لاستدامة العقار الصناعي



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Abstract:

The green economy directly contributes to creating both direct and indirect job opportunities. It also promotes the sustainability of industrial property by incorporating the concept of green growth into sustainable development. The green economy can serve as a driving force for national economic growth and the preservation of industrial property

key words:

Green economy; sustainable development; industrial property; local development; green growth.

الملخص:

يساهم الاقتصاد الأخضر بشكل مباشر في خلق فرص عمل مباشرة وغير مباشرة. كما يعزز استدامة الملكية الصناعية من خلال دمج مفهوم النمو الأخضر في التنمية المستدامة ويمكن أن يشكل قوة دافعة للنمو الاقتصادي الوطني والحفاظ على الملكية الصناعية.
الكلمات المفتاحية: الاقتصاد الأخضر؛ التنمية المستدامة؛ الملكية الصناعية؛ النمو الأخضر.

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Introduction:

The green economy in Algeria is a key axis for development that could contribute to diversifying the national economy and creating sufficient job opportunities, which is one of the biggest challenges facing our country. With the insufficient contribution of industry to industrial growth at around 5%, investing in sectors and branches of the green economy such as renewable energy, energy efficiency, sustainable agriculture and fishing, water management, waste recycling, ecological tourism, medicinal herbs, and other services related to the environment can help develop the economic integration rate to reach between 10 to 15%. This includes developing the local network through a specific approach aimed at restoring balance among the various regions of the country. The green economy adopts modern technology, which is a fundamental factor for improving the competitiveness of small and medium-sized enterprises that still struggle to evolve in this field. For this reason, the state has worked to facilitate the process for small and medium-sized enterprises to obtain the necessary support, training, and advanced technology to elevate their level, allowing them to enter national and international markets with strength. Thus, we raise the issue of our intervention.

To study the topic of the green economy, we used the descriptive method, as it is the most appropriate approach for examining this phenomenon, which lies at the intersection of various fields such as law, economics, environment, and sustainable development.

How does the recent economy contribute to the sustainability of industrial real estate?

To answer this question, we have outlined the following plan:

Chapter One: The Green Economy: Concept and Foundations

Chapter Two: The Effects of the Green Economy on the Concept of Industrial Real Estate.

Chapter One: The Green Economy: Concept and Foundations.

The green economy is a modern concept that primarily relies on the idea of sustaining natural resources and making them serve future generations, while avoiding their depletion by seeking new energy sources. This ultimately restores the equation that the resources available in nature can suffice for humanity to live in lasting peace.

Section One: The Concept of Green Economy:

According to the United Nations Environment Programme, the green economy aims to improve the overall well-being of humanity and achieve social equity by reducing environmental risks and ecological scarcity. This sector accounts for approximately 4 million permanent jobs in France, according to statistics from the World Environment Organization, and this number could exceed 24 million workers by the end of 2030.

The World Bank defines the green economy as one that reduces carbon emissions and achieves resource efficiency by focusing on how production occurs and its impact on the environment. The Economic and Social Commission for Asia and the Pacific defines the green economy as a strategy based on sustainable economic growth and the creation of necessary job opportunities to reduce poverty in the face of escalating resource scarcity and the pollution crisis that the world is experiencing as a whole.¹

The green economy is named as such because it relies on the use of renewable energy, in contrast to the traditional economy that depends on oil and fossil fuels, which contribute to environmental pollution. The Tunisian Ministry of Environment defines the green economy as a field of activities related to the production, distribution, and consumption of human community resources while respecting the environment. The green economy is not a parallel economy to the traditional economy, or what is known as "growth first and clean later," but rather a transformation aimed at achieving sustainable development².

Furthermore, the French Ministry of Economy views the green economy as based on two types of activities:

- 1- Traditional activities: These rely on less polluting sources for the environment and lower energy consumption.
- 2- Environmental activities: These aim to protect the environment and better manage natural resources, which falls under a specific goal of green growth that supports the idea of sustainable development in the long term. This approach is based on holding institutions accountable to society.

The French Ministry of Economy sees the circular economy as one of the most important components of the green economy. It refers to an economic model aimed at producing goods and services sustainably by reducing consumption and waste of raw materials, water, and energy, while minimizing waste production.

¹ Hashim Khaled , Hamid Abdul .The Green Economy and Its Role in Achieving Sustainable Development .*Arab Journal of Business Research and Studies*.2022.

² Molly, S. C. ; *The Green Economy*. Jordan: Nile Group.2010, p 320.

On January 1, 2022, several texts related to combating waste and the circular economy law were issued, which require all producers, importers, and distributors to reuse or recycle unsold non-food materials. Additionally, products related to daily health and personal hygiene must be donated and not incinerated or destroyed.¹

On March 16, 2023, the European Commission issued a regulation aimed at achieving a completely pollution-free industry, encouraging specific technologies for the European Union and ensuring that the industry within the EU is prepared for a transition to clean energy. Consequently, France enacted Law 2023/973 dated October 23, 2023, related to green industry, with a dual purpose of creating new jobs while promoting cleaner and safer production methods. Furthermore, the European Commission mandated that starting from January 2025, under what is known as the European directive on sustainable development, European companies, according to their classifications, are required to assess their impact on the environment and human rights.²

As for Algeria, according to the United Nations Development Programme, like other countries in the region, it has committed through the national climate program and the nationally determined commitment to implement a set of conditions aimed at transitioning to a complete reliance on a green economy. This approach allows for more sustainable growth with less environmental harm, enabling local communities, which play a crucial role in this field, to achieve significant financial returns. It also presents an opportunity to introduce cutting-edge technologies across the country by generalizing digital solutions in the recycling process and the buying and selling of these waste materials.³

The second requirement: Foundations of the Green Economy

The foundations upon which the green economy relies are fundamentally linked to an approach based on local balances that respond to the challenges of environmental sustainability. Since 2008, the United Nations, the Organisation for Economic Co-operation and Development (OECD), the United Nations Environment Programme (UNEP), and the World Bank have played a significant role in launching a program to research the foundations, objectives, and methods through which the idea of the green economy is promoted. This concept, or term, gained its true significance during the Earth Summit held in

¹ [www.https://www.economie.gouv.fr/en](https://www.economie.gouv.fr/en). Récupéré sur French Ministry of Economy.18-11-2024.

² Molly, S. C. op.cite

³ Algeria, U. N. (2024). : *Date of review: 28/11/2024*. Algeria.

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Rio de Janeiro, Brazil, in June 2012, especially since the green economy is considered the most important challenge in the fight against poverty. The final document of the summit, titled "The Future We Want," emphasized the importance of the green economy concept. In this type of economy, increasing income and employment rates come from public or private investments that work to reduce greenhouse gas emissions and pollution while promoting the rational use of energy sources and environmental efficiency, all while prominently preserving biodiversity.

The transition from a traditional economic model to a green economy model is primarily linked to the specific circumstances of each nation, as it depends on the uniqueness of human capital and the natural resources of each country, according to its development in various fields. Therefore, during any transition, it is essential to focus on achieving three key points:

- Primarily investing in the sustainable management of essential and natural energy sources such as water, renewable energies, and marine resources like agriculture, forests, environmental systems, and biodiversity, while also working on waste recycling to create a significant market for green economic growth in the medium and short term, thus driving the overall economy to generate sufficient job opportunities.
- Providing an appropriate legal and regulatory framework for market management, as these means allow for the adoption of the green economy concept by encouraging green consumption, supporting green taxation, and promoting environmental incentives within successive financial laws.
- Working on developing local capacities and specialized training; therefore, local economic and sectoral policies should be supported by a training and employment program aimed at equipping the human element with a new type of knowledge in the field of the green economy and how to benefit from this new model.

The green economy model relies on the collaborative efforts of various specialists, including economists, legal experts, and local development practitioners, in addition to regional communities. Its ultimate goal is to develop a genuine alternative based on a new economic approach that enables the achievement of material economic growth without exposing the environment to

risks that could disrupt the overall balance and lead to the scarcity of these resources, along with disparities in income distribution among nations.¹

Section two: Adopting the Green Economy Model

In 1972, the Club of Rome published its economic report titled "The Limits to Growth," highlighting that the Earth's finite resources cannot sustain humanity's long-term energy and growth demands under the current development model. This report sparked a wave of awareness among experts, leading to harsh criticism of the traditional economic model.

The financial and economic crisis of 2008 underscored the urgent need for a new economic framework. This urgency paved the way for the adoption of the green economy model, which became central to the Sustainable Development Goals (SDGs) adopted in September 2015 during the United Nations Summit in New York.

The UN General Assembly called for a global transition to green economies as part of the 2030 Agenda, outlining the general principles of the green economy. These principles aim to achieve sustainable development goals by:

- Combating climate change.
- Protecting wildlife.
- Providing affordable clean energy.
- Improving working conditions.
- Promoting overall economic growth.

Chapter Two: Effects of the Green Economy on Industrial Real Estate

The implications of adopting the green economy model on industrial real estate have become a subject of interest for experts in law, economics, and local development. The link between industrial real estate and sustainable development is one of the most critical aspects to highlight, especially as indicators consistently demonstrate the green economy's role in ensuring the sustainability and development of industrial real estate.

Section one: Sustainability of Industrial Real Estate

The traditional economic model applied in Algeria has revealed its limitations and inability to elevate the country to a modern state with significant development. This reality necessitated the search for a new model that considers the requirements and principles of sustainable development.

¹ Hashim Khaled و Hamid Abdul .(2022 ,02) . The Green Economy and Its Role in Achieving Sustainable Development .*Arab Journal of Business Research and Studies*.2022.p262.

The Algerian government views the green economy as a means to achieve sustainable development by:

- Creating sufficient job opportunities.
- Supporting economic growth by diversifying national production and increasing added value.
- Promoting industrial innovation and creativity.
- Reducing poverty rates.

Algeria is committed to a gradual transition toward the green economy, focusing on societal priorities, particularly the energy transition to renewable and clean energy sources amidst a significant scarcity of certain fossil fuel resources.

The green economy offers a vital tool for national engagement through contributions to:

- Job creation and economic growth by diversifying domestic products.
- Increasing overall added value in the state's public budget.
- The green economy also supports creativity and innovation across all productive sectors, providing opportunities for everyone to contribute to cost-effective, high-quality production. This helps reduce poverty rates and makes economic growth accessible to all, allowing participation according to individual effort and financial capability.¹
- In this context, adopting a green economy promotes the development of green industries based on the optimal use of industrial land and the integration of sustainability in development and energy. This approach preserves the industrial real estate sector, making it a key driver for advancing local development. The Algerian government is thus presented with the option of gradually transitioning toward a green economy that considers the country's sustainable energy needs.

In this context, it can be noted that adopting a green economy calls for the establishment of a green industry based on the optimal use of industrial land and the attempt to link sustainability in development with sustainability in energy. All of this should be within the framework of preserving the industrial real estate sector and making it a key element for promoting local development. The option before the Algerian government is to gradually transition to a green economy that takes into account the country's sustainable energy needs.

Section Two: Valuing Industrial Real Estate

Working within the framework of what is known as the green economy is recognized as a new task developed within specific institutions to preserve the

¹ Bakdari Bakdari Fatima . (2019). The Green Economy from Theory to Application. Jordan: Academic Book Center.2019.

environment. Working in this context aims to achieve multiple goals, leading to the emergence of many work sectors in the field of green growth or transformation to this field, that is, to the green economy, for implementation in various institutions. Therefore, work within the green economy framework is often a fundamental support for achieving sustainable development.

Examples that highlight the importance of the green economy concept in the context of sustainable development include sustainable agriculture, work in private factories, sustainable electronics, and work in electric car factories. These are all smart industries based on the idea of resource sustainability, in the context of integration between closely related industrial units within smart industrial zones, which make the value of resources, regardless of their nature, an essential commitment in all their production plans.¹

In fact, it is difficult to accurately predict the number of jobs generated by adopting a green economy in the absence of an exclusive list of green industries and professions resulting from it.²

Studies from the National Statistics Bureau confirm that this model could create 450,000 jobs in 2012, and this number may reach about 1.4 million positions by 2025, especially if industrial activity is expanded to the five most important sectors, such as renewable energy, energy efficiency, water management, waste recycling, environmental services, and the management of green spaces.

These studies also emphasize the importance of involving youth and women in these new professions, calling for the need to establish a public policy for resource management, based on integrating these green jobs into the list of public professions and positions, along with a comprehensive review of vocational training systems to meet the demands of the national labor market.

The integration of the green economy into the national development program starts with a local initiative based on green cities, such as Boughezoul, a pioneering city in the field of energy economics and the promotion of renewable energy sources like solar and wind power for electricity generation. The Tipaza province also stands as a symbol in integrating the green economy into the local initiative for sustainable development by allocating industrial zones to host

¹ Abdel Azim Huda, *The Green Economy and Economic Growth, African Experiences* . Jordan: Arab Organization for Administrative Development 2014, p71.

² Mohamed Ali Sharif . *The Role of the Green Economy in Sustainable Development in the Arab World* .Jordan: Arab Organization for Administrative Development 2014,p144.

green industries, especially in the fields of food industries and the recycling of agricultural waste.¹

Conclusion:

The concept of the green economy is a recent one, following the failure of previous local development models based on the depletion of environmental resources. Therefore, it became necessary to search for a model that ensures the preservation and sustainability of the environment in all its dimensions.

The introduction of the green economy model called for the replacement of production methods, adopting more sustainable techniques while ensuring environmental conservation. This led to the promotion of green industry, which is a fundamental pillar for sustainable local development. The green economy concept is considered one of the most important factors in enhancing the value of national resources, whether agricultural, tourism, or industrial. It enables the optimal use of these resources, regardless of their nature, making them an essential element in the national program to boost the national economy.

Therefore, the Algerian legislator should take the initiative to:

1. Promote the concept of the green economy by encouraging both the private and public national industrial sectors to adopt green production methods through fiscal incentives within financial laws.
2. Allocate an annual award for companies that adopt alternative, non-polluting green methods during production.
3. Encourage the energy transition toward renewable energy, with support and follow-up in training in this field.
4. Limit imports of machines and devices that do not meet the sustainability criteria for the environment and the green economy, whether in terms of manufacturing materials or energy consumption.
5. Establish a legal framework to regulate the concept of the green economy within the national legislative system.
6. The call to strengthen bilateral and international cooperation in order to benefit from comparative experiences in the field of the green economy, while establishing contact with institutes specialized in sustainable development.

¹ Dalila Braz , December, The Green Economy in Algeria, A Strategy for Creating New Job Opportunities .*Al-Basha 'ir Economic Journal*. 2020,p1071.

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