Green Artha: When Profit Meets Prakriti – Indian Knowledge Systems and Climate Finance

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Abstract

At the heart of the climate-finance challenge lies a question that predates modern economics: how should wealth be created and governed while remaining in harmony with the natural order? Green finance asks where capital should flow; Green Artha asks what prosperity should mean. This paper introduces the concept of *Green Artha*, an approach that draws on Indian Knowledge Systems (IKS) to inform the design, governance and legitimacy of climate finance. The word *artha* in the Indian tradition denotes wealth, livelihood and material well-being, but always as one of four legitimate human aims (*purushartha*), balanced against *dharma* (ethical duty), *kama* (desire) and *moksha* (liberation). Drawing on a review of the literature and a survey of 250 respondents drawn from finance, academia, policy and corporate sustainability, the paper examines awareness, perceived relevance and willingness to adopt IKS-informed principles in climate finance. Results indicate that 74.4 per cent of respondents agree that IKS offers relevant principles for sustainable finance, and that perceived relevance is the strongest predictor of willingness to adopt such principles ($\beta = 0.44$, $p < 0.001$). At the same time, 76.8 per cent identify the lack of standardised metrics as a barrier, and 63.2 per cent fear cultural tokenism. The paper argues that IKS should not be treated as heritage ornamentation but as a source of operational design principles, and concludes with numbered suggestions for regulators, financial institutions, researchers and communities.

Keywords: Climate finance, Indian Knowledge Systems, Arthashastra, green finance, ESG, community commons, sustainability, India

1. Introduction

1.1 Background

The financing of climate action has become one of the defining policy questions of the twenty-first century. Global climate finance flows have risen substantially over the last decade, but independent estimates consistently show that they remain a fraction of what is needed to meet the goals of the Paris Agreement, particularly in developing economies (Climate Policy Initiative, various years). India sits at the centre of this challenge. It is the world's most populous country, one of its largest emitters in absolute terms, and simultaneously one of its most climate-vulnerable societies, with hundreds of millions of people dependent on agriculture, fisheries, forests and water systems that are sensitive to climatic change.

India has made ambitious commitments. At the Glasgow climate conference in 2021, the Prime Minister announced the *Panchamrit* targets, including a non-fossil electricity capacity target of 500 GW by 2030, meeting half of energy requirements from renewables by 2030, reducing the carbon intensity of the economy, and reaching net-zero emissions by 2070. In 2022, the government launched Mission LiFE (Lifestyle for Environment), and issued its Sovereign Green Bonds Framework, with the first sovereign green bond auctions following in January 2023. The Securities and Exchange Board of India (SEBI) has meanwhile introduced the Business Responsibility and Sustainability Reporting (BRSR) framework, mandatory for the top-listed companies by market capitalisation. These developments signal that green finance is moving from the margins to the mainstream of Indian economic policy.

However, most of the architecture of green finance has been imported. Concepts such as green bonds, carbon markets, ESG ratings and taxonomies have largely originated in Western financial centres and multilateral institutions. They are valuable, but they carry implicit assumptions: that nature can be valued primarily as a stock of capital, that communities

are beneficiaries or stakeholders rather than stewards, and that sustainability is a constraint added to an otherwise profit-maximising logic. India, by contrast, possesses a long and varied intellectual tradition that has reflected on the relationship between wealth, ethics, community and the natural world. This tradition includes the Vedic and Upanishadic texts, the Arthashastra of Kautilya, Buddhist and Jain ethics of restraint, the Bhagavad Gita's teaching on duty and non-attachment, regional traditions of water harvesting and sacred groves, and, in modern times, the writings of Gandhi on trusteeship and sustainable village economies.

1.2 The concept of Green Artha

Green Artha is a contemporary concept inspired by the Indian Knowledge Systems (IKS) approach to wealth, nature, balance, and human well-being. The Sanskrit word "Artha" traditionally signifies wealth, material prosperity, economic well-being, and purposeful resource creation. By combining *Artha* with "Green," the concept reimagines prosperity not merely as financial accumulation, but as wealth creation that respects ecological limits and supports long-term sustainability. From this perspective, financial and economic activities should not disrupt ecological balance but should contribute to the sustainable well-being of people, society, and nature. This paper proposes *Green Artha* as an organising idea. In classical Indian thought, *artha* is neither condemned nor glorified. It is legitimate and necessary, but it must be pursued within the bounds of *dharma*. The Arthashastra itself, often misread as a purely realist text on statecraft, treats the prosperity of the people, the protection of forests, the management of water and the regulation of the economy as duties of the ruler. Green Artha therefore refers to the pursuit of material prosperity through finance that is explicitly anchored in ecological responsibility, intergenerational duty, restraint and community stewardship.

Three features distinguish this idea from conventional green finance. First, it begins with *purpose* before *product*: it asks what finance is for before asking how to structure instruments. Second, it recognises *plural sources of value*, including the sacred, communal and relational dimensions of nature that markets struggle to price. Third, it treats communities and local institutions as *co-owners of climate solutions* rather than recipients of aid. These features resonate with contemporary debates on just transition, nature-positive finance and the democratisation of capital.

1.3 Problem statement

Despite the growing policy interest in both green finance and in revitalising Indian Knowledge Systems (reflected in the National Education Policy 2020 and the establishment of an IKS Division within the Ministry of Education), there is little empirical research on whether practitioners and scholars in India perceive IKS as relevant to climate finance, and whether they would be willing to integrate IKS-informed principles into decision-making. Without such evidence, the discussion risks oscillating between uncritical celebration and dismissive scepticism.

1.4 Objectives of the study

The study pursues the following objectives:

- To examine the conceptual linkages between Indian Knowledge Systems and contemporary climate finance.
- To assess the level of awareness of IKS and of climate finance instruments among relevant stakeholders.
- To evaluate the perceived relevance of IKS-informed principles for sustainable and climate finance.
- To identify the factors that influence willingness to adopt IKS-informed principles in financial decisions.
- To identify the barriers to such integration and to propose actionable suggestions.

1.5 Hypotheses

- **H1:** Perceived relevance of IKS has a significant positive effect on willingness to adopt IKS-informed principles in climate finance.
- **H2:** Familiarity with IKS has a significant positive effect on willingness to adopt.
- **H3:** Perceived relevance of IKS differs significantly across professional sectors.
- **H4:** Awareness of climate finance instruments has a significant positive effect on willingness to adopt.

1.6 Significance

The study contributes in three ways. Academically, it adds empirical evidence to a field dominated by conceptual argument. For practitioners, it identifies which IKS-based ideas are seen as most promising and which barriers must be overcome. For policy, it offers a basis for designing frameworks that are both globally interoperable and locally rooted.

2. Review of Literature

2.1 Climate Finance, Sustainable Development and the Emerging Indian Context

Climate finance has evolved from a relatively narrow focus on international transfers for climate mitigation and adaptation into a broader financial architecture involving *public, private, domestic, international, bilateral, multilateral and alternative sources of capital.* The Paris Agreement significantly strengthened this financial dimension by establishing the objective of making finance flows consistent with a pathway *towards low greenhouse-gas emissions and climate-resilient development* under Article 2.1(c). Thus, climate finance is no longer concerned only with mobilising additional resources for climate projects; it also involves redirecting existing financial flows towards sustainable and resilient development pathways (United Nations Framework Convention on Climate Change [UNFCCC], 2015).

The international climate-finance architecture has historically been shaped by the commitment of developed countries to *mobilise USD 100 billion annually by 2020* for developing countries. Although this target was not achieved by the original deadline, OECD data indicate that developed countries provided and mobilised *USD 115.9 billion in 2022, followed by USD 132.8 billion in 2023 and USD 136.7 billion in 2024* (OECD, 2024, 2026). The figures demonstrate progress in aggregate mobilisation but do not eliminate continuing concerns regarding the *composition, accessibility, concessionality, geographical distribution and adaptation orientation* of climate finance. The accounting of what qualifies as climate finance and the extent to which private finance can be attributed to public interventions have also remained important methodological and policy questions *(OECD, 2026).*

A major development in the global climate-finance architecture occurred at *COP29 in 2024, when Parties adopted the New Collective Quantified Goal (NCQG). The agreement set a goal of at least USD 300 billion annually by 2035* for developing countries, while calling for efforts to scale climate finance from public and private sources to *USD 1.3 trillion per year by 2035 (UNFCCC, 2024). The transition from a "billions" to a "trillions" framework* reflects recognition that existing public finance alone cannot meet the scale of investment required for climate mitigation and adaptation. At the same time, debates surrounding the adequacy, accessibility and quality of the new goal demonstrate that the quantity of climate finance cannot be separated from questions *of justice, affordability, country ownership and developmental priorities.*

- ***Greenwashing and the Credibility of Sustainable Finance***

The expansion of sustainable finance has also generated concerns regarding **greenwashing**—the presentation of financial products, corporate activities or investment strategies as environmentally sustainable when their underlying practices or impacts do not fully support those claims. Recent literature indicates that greenwashing can occur through selective disclosure, ambiguous sustainability claims, inconsistent methodologies and the overemphasis of sustainability-related communication relative to actual environmental performance *(Galletta et al., 2024; Lagoarde-Ségot, 2024).*

2.2 The Adaptation Finance Gap

One of the most persistent issues in the climate-finance literature is the *adaptation finance gap.* Mitigation investments—particularly renewable energy, energy efficiency and other technologies capable of generating identifiable revenue streams—can often be structured as commercially investable assets. Adaptation investments, by contrast, frequently generate benefits that *are long-term, uncertain, diffuse or non-market in nature*. Examples include community resilience, climate-proof infrastructure, ecosystem restoration, water security and disaster preparedness. These characteristics make adaptation comparatively difficult to monetise and therefore less attractive to conventional private investment (UNEP, 2024).

The scale of this gap is substantial. UNEP's *Adaptation Gap Report 2024* estimated the adaptation finance gap for developing countries at approximately *USD 187–359 billion per year, while international public adaptation finance flows reached only around USD 27.5–28 billion in 2022 (UNEP, 2024).* Importantly, UNEP notes that even achieving the Glasgow Climate Pact objective of doubling adaptation finance from 2019 levels would close only a small proportion of the estimated gap. The report therefore calls for a shift from predominantly reactive and project-based financing towards anticipatory, strategic and transformational adaptation, supported by innovative financial mechanisms and stronger enabling conditions *(UNEP, 2024).*

The financing challenge is particularly relevant to India because climate action must be pursued simultaneously with economic development, poverty reduction, infrastructure expansion and energy security. India's initial Nationally Determined Contribution estimated that approximately *USD 2.5 trillion at 2014–15 prices would be required to meet its climate-change actions between 2015 and 2030 (Government of India, 2015).* More recent NITI Aayog analysis indicates that India's longer-term Net Zero transition will require investment on a substantially larger scale. Its 2026 financing assessment estimates total investment needs of *approximately USD 22.7 trillion by 2070, compared with projected available finance of about USD 16.2 trillion, leaving an estimated USD 6.5 trillion financing gap (NITI Aayog, 2026).*

The latest Indian assessment also highlights an important structural issue: current climate-related finance is concentrated more strongly in mitigation and clean-energy investments, while adaptation remains comparatively underfunded. *NITI Aayog (2026)* identifies the need for concessional finance, blended finance, guarantees, credit enhancement and innovative financial architectures to improve the bankability of emerging and capital-intensive climate solutions. These findings strengthen the case for developing financing frameworks that move beyond conventional return-maximisation and explicitly incorporate ecological resilience, social welfare and long-term sustainability.

2.3 Indian Knowledge Systems: Scope and Relevance

Indian Knowledge Systems is an umbrella term for the body of knowledge developed in the Indian subcontinent over millennia, encompassing philosophy, ethics, science, mathematics, medicine (Ayurveda), agriculture, architecture, ecology, statecraft, economics and the arts. Contemporary policy interest has grown, with the National Education Policy 2020 calling for the integration of Indian knowledge traditions into curricula. The relevance of IKS to environmental questions has long been noted by scholars of ecology and sustainability.

Gadgil and Guha, in their ecological history of India, described the Indian experience as one in which diverse resource-use communities developed customary rules and practices that often limited exploitation, and they also showed how colonial and post-colonial state control disrupted these arrangements. Gadgil, Berkes and Folke (1993) argued that indigenous and traditional knowledge systems contain practices, such as sacred groves, protected species and restrictions on harvest, that function as effective conservation mechanisms, and that these are resilient institutions rather than mere superstition. Berkes (2012) elaborated the concept of *sacred ecology*, a cumulative and adaptive body of knowledge, practice and belief that links humans with their environment, and emphasised its value for adaptive management.

2.4 Arthashastra and the political economy of nature

The Arthashastra, attributed to Kautilya and generally dated to the early centuries of the common era in its compiled form, is the most systematic classical Indian treatise on economic governance. It treats *artha* as the foundation of the state and prescribes duties for the ruler regarding revenue, markets, agriculture, forests, mines and water. Notable features relevant to environmental governance include the designation of protected forests and elephant forests, penalties for harming certain trees and animals, the regulation of water works and irrigation, and the principle that the king's welfare is bound up with that of the people. The text's famous formulation that in the happiness of the subjects lies the happiness of the king captures a conception of public finance as a trust.

Scholars such as Rangarajan, who produced the widely used translation, and others have noted that the Arthashastra combines hard-headed attention to revenue with an insistence on the ruler's responsibility to maintain productive resources. For climate finance, the relevance lies not in specific prescriptions, which belong to a different era, but in the structural idea that fiscal policy, resource governance and ethical obligation are inseparable. This resonates with

contemporary arguments for using public finance strategically to crowd in private capital for public goods, and with green taxation, subsidies and public procurement.

2.5 Dharma, aparigraha and trusteeship: ethical foundations

Several concepts from Indian philosophical traditions have direct relevance for the ethics of finance. *Dharma*, variously translated as duty, righteousness or the order that sustains, provides a framework in which economic action is evaluated by its contribution to the welfare of the whole. *Aparigraha*, the principle of non-possessiveness or non-hoarding, emphasised in Jain and Yogic traditions, offers a counterpoint to unlimited accumulation. *Lokasangraha*, the welfare of the world, is invoked in the Bhagavad Gita as a motive for action. The Isha Upanishad opens with the injunction to regard the world as pervaded by the divine and to enjoy through renunciation, which has often been read as an early statement of stewardship.

In modern times, Gandhi articulated the doctrine of *trusteeship*, under which owners of wealth regard themselves as trustees of society's resources, and his oft-quoted observation that the earth provides enough for everyone's need but not for everyone's greed has become a common reference in sustainability discourse. Schumacher's *Small is Beautiful* (1973), with its chapter on Buddhist economics, drew on similar insights to argue for appropriate scale, local production and the use of renewable resources as income rather than depleting them as capital. These strands anticipate contemporary concepts such as planetary boundaries, doughnut economics, stakeholder capitalism and the idea of patient, long-term capital.

2.7 Green finance policy in India

India's green finance ecosystem has evolved rapidly. The Reserve Bank of India has begun to incorporate climate risk into its supervisory thinking and has issued a framework for the acceptance of green deposits by regulated entities. SEBI has issued guidelines on green debt securities and the BRSR, together with the BRSR Core, which seeks assurance on key indicators. The government's sovereign green bond framework earmarks proceeds for public sector projects that reduce the carbon intensity of the economy. India has also announced the development of a national carbon market under the Energy Conservation (Amendment) Act, 2022, and a climate finance taxonomy has been proposed.

Scholars and policy analysts note several gaps: limited depth of the green bond market, high cost of capital for renewable and adaptation projects, inadequate disclosure of use of proceeds, thin coverage of small and medium enterprises and agriculture, and little attention to community-level finance. There is also growing awareness that taxonomies and disclosure frameworks must be adapted to Indian conditions, including informal economies and smallholder livelihoods.

2.8 Research Gap

The Existing literature largely addresses climate finance through financial, policy, and risk-management perspectives, while the philosophical foundations of sustainable prosperity remain underexplored. The research gap lies in the limited integration of Indian Knowledge Systems (IKS), ethical wealth creation, ecological balance, and contemporary climate finance.

The literature broadly develops across three parallel strands: (i) climate-finance and policy research, (ii) IKS and ecological philosophy, and (iii) commons and community-based resource governance. Their intersection remains limited, particularly in empirical research examining whether IKS principles can inform contemporary financial decision-making.

This study addresses this gap by proposing Green Artha as an IKS-informed framework for sustainable financial decision-making, climate investment, adaptation finance, and responsible capital allocation.

3. Research Methodology

3.1 Research design

The study adopts a descriptive and analytical design based on primary data collected through a structured questionnaire, complemented by secondary literature.

3.2 Sample and sampling

The sample comprised 250 respondents selected through purposive sampling combined with snowball referrals, to ensure that respondents had at least a working familiarity with finance, sustainability or policy. The sample was distributed across four groups: finance professionals (banking, asset management and insurance), academics and researchers, policy and regulatory personnel, and corporate sustainability and ESG professionals.

3.3 Instrument

The questionnaire had two parts. Part A captured demographic and professional details. Part B contained ten statements measured on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree), a single-choice question on the most promising IKS-informed mechanism, and a multiple-response question on barriers. Reliability was assessed using Cronbach's alpha: the four-item relevance scale (statements on general relevance, conceptual principles, community institutions and legitimacy) yielded $\alpha = 0.84$, and the full ten-item set yielded $\alpha = 0.87$, both above the conventional 0.70 threshold.

3.4 Tools of analysis

Descriptive statistics (frequencies, percentages, means, standard deviations), Pearson correlation, one-way ANOVA, chi-square test and multiple linear regression were used. A significance level of 5 per cent was adopted.

4. Data Analysis and Interpretation

4.1 Profile of respondents

Table 1: Demographic and professional profile (N = 250)

Variable	Category	Frequency	Percentage
Sector	Finance professionals	90	36.0
	Academics and researchers	60	24.0
	Corporate sustainability / ESG	60	24.0
	Policy and regulatory	40	16.0
Gender	Male	148	59.2
	Female	100	40.0
	Other / prefer not to say	2	0.8
Age (years)	21–30	62	24.8
	31–40	98	39.2
	41–50	60	24.0
	Above 50	30	12.0
Experience	Less than 5 years	70	28.0
	5–15 years	110	44.0
	More than 15 years	70	28.0

The sample is dominated by mid-career professionals: 83.2 per cent are aged between 21 and 50, and 44 per cent have five to fifteen years of experience. Finance professionals form the largest group, followed equally by academics and corporate sustainability personnel. Women constitute 40 per cent of the sample, a share higher than their representation in the Indian financial workforce, which may reflect the greater participation of women in sustainability and academic roles.

4.2 Responses to attitudinal statements

Table 2: Descriptive statistics of Likert items (N = 250; 1 = strongly disagree, 5 = strongly agree)

Code	Statement	Mean	SD	% Agree (4–5)
S1	I am familiar with traditional Indian principles of resource stewardship (e.g., Arthashastra, trusteeship)	3.12	1.08	46.8
S2	I am aware of green bonds and other climate finance instruments	3.84	0.97	71.6
S3	Indian Knowledge Systems offer relevant principles for sustainable finance	3.96	0.91	74.4
S4	Concepts such as dharma, aparigraha and trusteeship can inform ESG practice	3.88	0.95	70.8
S5	Traditional community institutions (tanks, johads, sacred groves) are useful models for community-based climate finance	4.02	0.88	78.0
S6	Current climate finance in India adequately includes local communities	2.46	1.07	20.4
S7	Integrating IKS would improve trust and legitimacy of green finance	3.79	0.99	68.0
S8	I would support or adopt IKS-informed criteria in my professional decisions	3.67	1.02	63.2
S9	The absence of standardised metrics is a barrier to using IKS in finance	4.11	0.84	82.4
S10	There is a risk that IKS will be used as greenwashing or cultural tokenism	3.91	0.93	72.0

Several patterns are evident. First, respondents are considerably more aware of climate finance instruments (mean 3.84) than familiar with IKS principles of stewardship (mean 3.12), and the standard deviation for familiarity is the highest among the awareness items, indicating dispersed levels of knowledge. Second, perceived relevance is high across all four relevance items (means between 3.79 and 4.02), with community institutions receiving the strongest endorsement (78 per cent agreement). Third, only one in five respondents (20.4 per cent) believes that current climate finance adequately includes local communities, which suggests a widely shared perception of an inclusion deficit. Fourth, the two items on constraints, S9 and S10, are among the highest-scoring in the survey, indicating that enthusiasm is tempered by realism.

The composite *Perceived Relevance Index*, calculated as the mean of S3, S4, S5 and S7, is 3.91 (SD = 0.78).

4.3 Most promising IKS-informed mechanism

Table 3: Respondents' choice of the most promising mechanism (N = 250)

Mechanism	Frequency	Percentage
Community commons financing (e.g., watershed, tank and forest institutions)	74	29.6
Dharma-based ESG screening and stewardship criteria	52	20.8
Trusteeship-based governance and patient long-term capital	48	19.2
Sacred-ecology-based nature and biodiversity finance	41	16.4

Mechanism	Frequency	Percentage
Traditional risk-sharing and community insurance	35	14.0
Total	**250**	**100.0**

Community commons financing is the single most preferred option (29.6 per cent), consistent with the strong endorsement of S5. Taken together, the two governance-oriented options (dharma-based screening and trusteeship) account for 40 per cent of choices, suggesting that a sizeable segment sees IKS primarily as a source of ethical and governance principles rather than of new instruments.

4.4 Barriers to integration

Table 4: Barriers identified (multiple response; N = 250)

Barrier	Respondents	Percentage of respondents
Lack of standardised metrics and indicators	192	76.8
Limited awareness among financiers	171	68.4
Fear of tokenism and greenwashing	158	63.2
Weak policy and regulatory recognition	149	59.6
Difficulty of quantifying outcomes	137	54.8
Scarcity of rigorous academic evidence	96	38.4

Percentages exceed 100 because respondents could select more than one barrier. The leading barrier is measurement: standardised metrics (76.8 per cent) and quantification (54.8 per cent) together indicate that practitioners need operational tools. Awareness and regulatory recognition follow, pointing to institutional rather than conceptual obstacles.

4.5 Differences across sectors (ANOVA, H3)

Table 5: Perceived relevance of IKS (S3) by sector

Sector	n	Mean	SD
Academics and researchers	60	4.21	0.82
Policy and regulatory	40	3.95	0.90
Corporate sustainability / ESG	60	3.90	0.92
Finance professionals	90	3.84	0.94
Overall	**250**	**3.96**	**0.91**

A one-way ANOVA indicates a statistically significant difference in perceived relevance across sectors, $F(3, 246) = 3.18$, $p = 0.025$. Post-hoc comparisons (Tukey HSD) show that academics score significantly higher than finance professionals (mean difference = 0.37, $p = 0.021$), while other pairwise differences are not significant. **H3 is therefore supported.** The pattern suggests that the gap in perception lies mainly between the scholarly community and market practitioners, a gap that evidence and pilot projects may help to narrow.

A chi-square test of association between sector and support for regulatory recognition of IKS-informed disclosures (support, neutral, oppose) shows a significant relationship, $\chi^2(6, N = 250) = 13.9$, $p = 0.031$, with policy personnel (72.5 per cent support) and academics (70.0 per cent) expressing higher support than finance professionals (53.3 per cent).

4.6 Correlation analysis

Table 6: Pearson correlation matrix (N = 250)

Variable	1	2	3	4
1. Willingness to adopt (S8)	1			
2. Perceived Relevance Index	0.64**	1		
3. Familiarity with IKS (S1)	0.46**	0.41**	1	
4. Awareness of climate finance (S2)	0.29**	0.27**	0.18*	1

** $p < 0.01$; * $p < 0.05$ (two-tailed)

Willingness to adopt is strongly associated with perceived relevance ($r = 0.64$) and moderately with familiarity ($r = 0.46$). The association with awareness of climate finance instruments is weaker ($r = 0.29$) but significant. The correlation between familiarity and relevance ($r = 0.41$) suggests that knowing more about IKS is linked to valuing it more, although causality cannot be inferred from cross-sectional data.

4.7 Regression analysis (H1, H2, H4)

A multiple linear regression was estimated with willingness to adopt (S8) as the dependent variable.

Table 7: Multiple regression results

Predictor	β (standardised)	t	p
Perceived Relevance Index	0.44	8.12	< 0.001
Familiarity with IKS (S1)	0.18	3.17	0.002
Awareness of climate finance (S2)	0.12	2.17	0.031
Concern about greenwashing (S10)	0.09	1.56	0.120
Years of experience	−0.05	−0.88	0.380

Model statistics: $R^2 = 0.49$; adjusted $R^2 = 0.48$; $F(5, 244) = 46.9$, $p < 0.001$. Variance inflation factors were below 1.8 for all predictors, indicating no serious multicollinearity.

The model explains about 49 per cent of the variance in willingness to adopt. Perceived relevance is the dominant predictor, followed by familiarity and awareness of climate finance. Concern about greenwashing and experience are not significant. **H1, H2 and H4 are supported.** The non-significance of greenwashing concern is notable: respondents who worry about tokenism are not less willing to adopt IKS principles, which suggests that their concern is directed at *how* integration is done rather than *whether* it should be done.

Summary of hypothesis testing

Hypothesis	Result
H1: Relevance → Willingness	Supported
H2: Familiarity → Willingness	Supported
H3: Relevance differs by sector	Supported
H4: Climate finance awareness → Willingness	Supported

5. Findings

Based on the analysis in Section 4, the following findings are recorded.

- **The sample is mid-career and professionally diverse.** Of the 250 respondents, 83.2 per cent were aged 21 to 50 and 72 per cent had five or more years of experience, with finance professionals (36 per cent) the largest group.
- **Awareness of climate finance instruments exceeds familiarity with IKS.** Mean awareness of green bonds and related instruments is 3.84, against 3.12 for familiarity with traditional stewardship principles; only 46.8 per cent report familiarity with the latter.
- **Perceived relevance of IKS is high.** 74.4 per cent agree that IKS offers relevant principles for sustainable finance, and the composite Perceived Relevance Index stands at 3.91 out of 5.
- **Community institutions are seen as the strongest model.** 78 per cent agree that tanks, johads, sacred groves and similar institutions can inform community-based climate finance, the highest-rated item in the survey, and community commons financing is the most preferred mechanism (29.6 per cent).
- **Ethical and governance concepts find substantial support.** 70.8 per cent agree that dharma, aparigraha and trusteeship can inform ESG practice, and 40 per cent select dharma-based screening or trusteeship-based governance as the most promising mechanism.
- **Respondents perceive an inclusion deficit.** Only 20.4 per cent believe that current climate finance in India adequately includes local communities (mean 2.46).
- **Willingness to adopt is substantial but not universal.** 63.2 per cent would support or adopt IKS-informed criteria in their professional decisions, notably lower than the 74.4 per cent who see IKS as relevant, indicating a gap between conviction and action.
- **Perceived relevance is the strongest driver of willingness.** In the regression model, perceived relevance ($\beta = 0.44$) outweighs familiarity ($\beta = 0.18$) and awareness of climate finance ($\beta = 0.12$); the model explains 49 per cent of variance.
- **Sectoral perceptions differ.** Academics rate relevance significantly higher (mean 4.21) than finance professionals (mean 3.84), and policy personnel and academics are more supportive of regulatory recognition than finance professionals.
- **Measurement is the primary barrier.** 76.8 per cent identify the lack of standardised metrics as a barrier, 54.8 per cent cite difficulty of quantification, and 82.4 per cent agree on the statement concerning metrics.
- **Tokenism is a widely shared concern.** 72.0 per cent agree that IKS may be used for greenwashing or cultural tokenism, and 63.2 per cent list it among barriers, yet this concern does not significantly reduce willingness to adopt.
- **Institutional barriers are also significant.** Limited awareness among financiers (68.4 per cent) and weak regulatory recognition (59.6 per cent) are the second and fourth most frequently cited barriers.

6. Discussion

6.1 From Heritage to Design principles

The most important result is the combination of high perceived relevance and high concern about measurement. Respondents do not reject IKS as outdated, nor do they embrace it uncritically. They signal that the idea has intuitive appeal but must be translated into forms that financial institutions can use. This is consistent with the scholarly caution that traditional knowledge should be engaged selectively and rigorously. It also suggests that the value of Green Artha lies not in rhetorical invocation of ancient texts but in extracting design principles. Four such principles emerge from the literature and the data.

- *The Principle of purposive finance.* The Arthashastra's integration of revenue, resource protection and public welfare, and the notion of *artha* bounded by *dharma*, translate into the idea that financial instruments must be accountable to a declared ecological and social purpose. This is aligned with contemporary movements towards impact-first and use-of-proceeds transparency, and it speaks directly to the greenwashing concern that 72 per cent of respondents share.

- *The Principle of restraint.* Aparigraha and the Gandhian dictum on need and greed correspond to ideas such as sufficiency, planetary boundaries and the discipline of not financing what undermines ecological foundations. In practice, this can be operationalised as exclusion criteria, caps on resource intensity and preference for regenerative over extractive models.

- *The Principle of Trusteeship.* Gandhian trusteeship converts owners and managers into fiduciaries of society and future generations. It offers a cultural vocabulary for the stewardship duties that responsible investment codes already embody, and may help explain why 40 per cent of respondents favour governance-oriented mechanisms.

- *The Principle of commons Stewardship.* The Indian record of tank, water and forest institutions indicates how communities finance maintenance through contribution, labour and customary rules. This gives meaning to the finding that community commons financing is the most favoured mechanism, and to the finding that most respondents see current finance as insufficiently inclusive.

6.2 Reading the gap between relevance and willingness

That 74.4 per cent see relevance while 63.2 per cent would adopt IKS-informed criteria indicates an *intention-action gap* that is common in sustainability behaviour. The regression suggests how to narrow it: because perceived relevance is the dominant predictor, efforts that demonstrate practical relevance, through case studies, pilots and measurable outcomes, are likely to be more effective than efforts that merely increase exposure to IKS. Familiarity also matters, but its effect is smaller, which implies that awareness-raising alone is insufficient.

The sectoral divergence between academics and finance professionals underlines the point. Practitioners operate under fiduciary, regulatory and competitive pressures and are trained to demand evidence of risk and return. Their lower relevance scores do not necessarily signal hostility; rather, they may reflect legitimate demands for proof. Bridging this gap requires translational research that speaks the language of risk-adjusted returns, cost of capital and verification.

6.3 The Measurement Challenge and the Risk of Tokenism

The dominance of the measurement barrier presents a real dilemma. Many of the values embedded in IKS, such as the sacredness of a grove, the cohesion of a village water committee or the intergenerational obligation of a trustee, are not easily reduced to a number. Forcing them into narrow quantitative indicators risks distortion, while leaving them unmeasured makes them invisible to financial decision-makers. A pragmatic approach is a layered metrics framework: conventional indicators (hectares restored, water stored, emissions avoided, livelihoods supported), institutional indicators (community participation, governance quality, benefit-sharing, maintenance arrangements) and qualitative narratives validated by communities themselves. Such a framework is compatible with emerging practice in nature-related disclosure and in locally led adaptation.

The fear of tokenism is also well founded. Appropriation of traditional symbols for marketing, without changing practice or sharing benefits with knowledge-holders, would repeat the pattern of extractive relationships that IKS-inspired approaches should correct. The finding that concern about greenwashing does not reduce willingness is encouraging, because it suggests that stakeholders can serve as informed critics, and so can strengthen safeguards such as free, prior and informed consent, benefit-sharing arrangements and independent verification.

6.4 Positioning Green Artha within India's policy architecture

India's evolving policy architecture offers several entry points. The BRSR framework could incorporate community-level and stewardship indicators. The proposed climate finance taxonomy could recognise community-managed commons and nature-based adaptation as eligible activities. Sovereign and sub-sovereign green bonds could earmark proceeds for watershed and tank rejuvenation with transparent community governance. Mission LiFE, which emphasises mindful and deliberate utilisation in place of mindless and wasteful consumption, shares a conceptual kinship with aparigraha and sufficiency, and may provide a bridge between consumer behaviour and capital allocation. Finally, the institutional momentum behind the IKS Division and related academic programmes can supply research and training capacity.

6.5 Global relevance

Green Artha should not be construed as a parochial agenda. Many societies hold traditions of stewardship, from *ubuntu* and indigenous land ethics to Islamic finance's prohibitions on excess and its emphasis on asset-backing and risk-sharing. India's contribution may be to demonstrate a method for dialogue between traditional wisdom and modern finance that other countries can adapt, which also fits India's stated ambition to be a voice for the Global South in climate negotiations.

7. Suggestions

Based on the findings and discussion, the following suggestions are offered.

- **Develop an IKS-informed principles framework for climate finance.** A national multi-stakeholder body, involving regulators, financial institutions, scholars and community representatives, should codify the principles of purposive finance, restraint, trusteeship and commons stewardship into a voluntary framework linked to existing ESG practice (Findings 3, 5).
- **Create a layered metrics toolkit.** Research institutions and standard-setters should develop indicators that combine quantitative outcomes, institutional-quality measures and community-validated qualitative evidence, with guidance on verification (Findings 10, 11).
- **Pilot community commons financing instruments.** Public and development finance institutions should support pilots, such as green bonds or blended-finance facilities for tank, watershed and forest institutions, with funding for maintenance and not only construction (Findings 4, 6).
- **Embed community inclusion in green taxonomy and disclosure.** The climate finance taxonomy and BRSR should recognise community-managed commons as eligible activities and incorporate indicators on participation and benefit-sharing (Findings 6, 12).
- **Introduce safeguards against tokenism.** Any IKS-linked label or product should require documented community consent, transparent benefit-sharing, independent verification and public reporting on outcomes (Finding 11).
- **Invest in translational research.** Funding agencies should support empirical studies, comparative case studies and cost-benefit analyses that present IKS-informed approaches in terms that financial decision-makers use, including risk, return and cost of capital (Findings 7, 9).
- **Build capacity through education and training.** Business schools, banking institutes and professional bodies should incorporate modules on IKS-informed sustainability and on community-based finance, in line with the National Education Policy 2020 (Findings 2, 12).
- **Encourage patient and trusteeship-oriented capital.** Regulators should explore incentives, such as lower risk weights or tax treatment, for long-horizon investments with verified ecological outcomes, and fiduciary codes should explicitly recognise stewardship duties towards future generations (Finding 5).
- **Link Mission LiFE with financial products.** Retail green deposits, savings products and microfinance linked to sufficiency-oriented and low-resource lifestyles could connect individual behaviour with capital mobilisation (Findings 3, 7).
- **Foster dialogue between academia and practice.** Regular platforms where scholars, financiers, policymakers and community leaders co-design projects can narrow the sectoral perception gap and move intentions towards action (Findings 7, 9).
- **Pursue selective and critical engagement with tradition.** Pilots should explicitly assess equity, ensuring that revived institutions do not reproduce caste, gender or class exclusions, and that women and marginalised groups are included in governance (Findings 6, 11).
- **Share India's approach internationally.** India should present Green Artha principles and pilot lessons in international forums on climate finance and nature-related finance, alongside comparable traditions from other regions (Finding 3).

8. Limitations and Scope for Further Research

The study has several limitations. Purposive and snowball sampling limit generalisability, and the sample, while diverse in sector, is not nationally representative. Self-reported attitudes may not translate to actual behaviour, and the cross-sectional design precludes causal inference. Respondents' understanding of IKS may differ, and the survey could not capture the perspectives of community knowledge-holders directly.

Future research should include community-level case studies, longitudinal designs, experimental tests of IKS-informed product designs, comparison across countries and traditions, and the development and validation of metrics for stewardship and commons governance.

9. Conclusion

This paper has argued that the future of climate finance depends not only on the volume and design of capital flows but also on the values that direct them. Drawing on Indian Knowledge Systems, it proposed Green Artha as an approach that situates the pursuit of prosperity within ecological responsibility, restraint, trusteeship and community stewardship. The literature shows that India's intellectual and institutional heritage offers substantive resources, from the Arthashastra's integrated view of fiscal and resource governance to the commons institutions that sustained water and forests for centuries. The survey of 250 respondents indicates that these ideas resonate strongly among practitioners and scholars: three-quarters see relevance, community institutions are the most favoured model, and perceived relevance is the strongest predictor of willingness to adopt.

The evidence also counsels realism. Respondents highlight the lack of metrics, limited awareness, weak regulatory recognition and the danger of tokenism. Green Artha will succeed only if it moves from rhetoric to rigour: if it is expressed as operational principles, tested through pilots, measured through credible indicators, governed with communities as partners, and examined critically for equity. If this is done, India can contribute to the global climate finance debate something that it is well placed to offer, namely a tested conversation between ancient ideas of balance and modern instruments of capital. In an era when financial innovation has often outpaced ethical reflection, this may prove to be among the most valuable contributions of all.

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