

## **ABSTRACT**

The idea of economic growth is incomplete without inputs from environment and natural resources. The debate on relationship between economic growth and environmental degradation began with early work by Grossman & Krueger, Shafik Bandyopadhyay and T Panayotou. These researchers did some fundamental work on growth-environment relationship and examined the relationship. Their work concluded an inverted-U shaped relationship similar to that of Simon Kuznets's income-inequality nexus. Hence it was termed as the Environmental Kuznets Curve (EKC). The plethora of research on this relationship only highlighted the results that were either consistent or inconsistent. Few studies attempted indepth analysis by using sophisticated tools in explaining the underlying causes of such relationship and provided empirical evidence. The models used by the researchers were incomplete tools and gave rise to a need of a holistic approach. This study attempted to overcome limitation of earlier studies and provide an approach that could examine the possible causes of the growth-environment relationship and substantiated it with use of Structural Equation Models (SEM). This study analyzed the relationship with respect to India. The structural changes in the country since 1960 were considered and decomposed into economic effect, demographic effect, governance effect and environmental effect. The study concluded that it is the structural change in the form of urbanization that impact the environmental degradation the most.