

Transcript

Should Economics and the Environment work together?

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Should economics and the environment work together? Economics and the environment have a reputation for not getting along. For many, economics is viewed as capitalism and profits whilst the environment is something good, necessary, and underappreciated. But perhaps, there are benefits to considering these two areas together or even as one.

When I talk to students and other academics, I often see them falling into different camps. Many, including geographers, focus on the environment, and that this should not be coupled with the economy. And yet there are also environmental economists, some sitting comfortably within the geography discipline, who focus on the connections and benefits of considering environment and economics collectively. So although some may feel uncomfortable or even appalled by the idea of the environment and economics being linked, there is a relationship between the two that should be recognised as able to support both environmental understanding and environmental decision making.

Thinking about the 2017 election, we can see the importance placed on the environment and the economy throughout the Conservative Party manifesto. It repeated the Cameron government's pledge to be the first generation to leave the environment in a better state than we inherited it. But what exactly does that mean? And how can we measure or test whether it has actually been achieved?

One tactic is to borrow an existing method for measuring things-- giving a financial value. We already accept this in different areas. We use price to measure many market goods from coffee to holidays. Indeed, a key part of the Conservative Party manifesto involves attempting to convert a diverse number of non-environmental issues into financial terms, such as via gross domestic product or increased trade and wage levels.

So when thinking about environmental issues, such as climate change, perhaps we can estimate some form of measurement. In relation to climate change, carbon emissions and impacts, such as temperature or flooding data could be used. The figures might not always be easy to generate or perfectly accurate to measure, but these are calculated and accepted as a way of approaching the debate.

Many people would challenge the idea that everything can easily be put into economic terms. Surely, there are elements of the environment that can't have an economic-related measure. How do we calculate the worth of a landscape, the view, or watching wildlife?

Thinking that something is beautiful or wonderful doesn't automatically allow you to measure it against other things that are important in different ways. At the same time, how people think about nature has changed over the centuries. So maybe, we could bring things into the same measurability framework if we focused on thinking about them in a different way.

One significant attempt to think about nature in a new way was the United Kingdom National Ecosystem Assessment completed in 2011. This looked at how ecosystems services supported human well-being. Ecosystem services can broadly be thought of as a wide range of benefits humans gain from the natural environment. And by thinking of these benefits in more economic terms, we can

start to consider the goods and services provided by ecosystems. By trying to systematically value nature, the UK National Ecosystem Assessment looked to carry out a more complete, comprehensive, or gapless review than had previously been developed.

Although some might see a financial assessment of nature as fundamentally missing the point, environmental economists would contend that they are actually filling a knowledge gap. By providing a value, it alters how the environment is considered. It changes the game. Presenting an economic value for ecosystem services shows the need for them to be taken seriously.

Conclusions are clear. Valuing the services, which have no traditional market, can significantly alter policy and action by changing how elements of the environment are considered. In our current society, when an economic value is present for an ecosystem service, it creates the need to take them seriously and into account.

Now, I love the view across my local countryside with the aspect and the openness. How I personally value it hasn't changed due to the UK National Ecosystem Assessment, allowing its worth to be seen as an economically valuable carbon sink or a habitat to support insects that pollinate adjacent crops. But the fact it can now be recognised in this way will help it to be taken into account even without a market.

So whilst my personal opinion and value of this view hasn't changed, an acceptance of this approach could alter the value society places on it. This means that using such an approach could result in policies relating to the environment being different. I'm not forgetting that many are still strongly opposed to placing a value on the environment, but others see an opportunity to ensure that the government acts on its pledge to leave the environment in a better state by enabling a way to quantify and so confirm achievements.

Truthfully, the human race has always been aware that nature is important and precious. The notion that nature has a value is not a new one. Human survival and prosperity has always been strongly influenced by the natural environment. Reducing the wonders of nature to drive financial numbers can be argued to support economic decision making by presenting the environment in a way that is seen and included in economic decisions, although many will still ask if it is really necessary to do this to allow the environment to be seen as valuable.