

Book Review

Title: **Ecological-Economic Accounts: Towards Intemperate Values**

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Reviewer: **Samuel Orowuje**

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A PENETRATING INSIGHT INTO REGIONALISM AND DEVELOPMENT PARADIGMS.

Saiki's work is a novel approach towards social and environmental accountability, differing from other existing growth accounting techniques in several ways. There are different statistical indicators being employed to measure economies, with most nations employing Gross Domestic Product (GDP). In GDP measurement, nations account for production, consumption, trade of goods and services and other economic indices while neglecting certain activities which seem to bring little financial or economic gain, yet have perhaps the most profound impact on human development and environmental sustainability. The fact that GDP does not comprehensively take care of indicators that are not weighted according to economic priorities means that it does not attribute a market value to a part of the ecosystem. This makes GDP an untrue reflection of the economy when viewed in a holistic, intemperate sense.

Man depends on nature to survive and thrive. Nations too rely on the exploitation of the natural environment with its bountiful resources; however, as these resources make valuable contributions to our livelihoods, comfort, growth and development, they come at a social cost, which is often witnessed in the form of poor quality environment, erosion, pollution, degradation and other man-made occurrences which have continued to threaten human existence. How do we avoid losses, retain our cultural values, maintain social wellbeing and retake much of the value of our resources whilst at the same time improving our socio-economic conditions?

Saiki's work aims at addressing this ambitious yet critical goal. It proffers a unique way of valuating all natural resources with inherent factors that can be used to define traditional economics, whilst also coalescing all information on the histories, wellbeing indicators, data on the ocean, population demographics and all ecological information of a nation or region into a cohesive whole that can be used in national accounting. This

would allow for the valuation of offsets in national accounts and the measurement of changes to the wellbeing of the people (in this case, the Pacific citizens).

It is pertinent to have some background understanding of the case study of this research – the Pacific Islands. These are territories different from other regions of the world in various aspects: they constitute a large region next to Africa and with small island states; they have unique cultural values and traditions; they depend heavily on the natural environment; and they are quite distant from markets and vulnerable to climate and disaster risks. Countries in the Pacific Islands have hitherto been seen as a region of unproductive communities living mere subsistence lives and hence contributing minimally to economic development. They were unattractive to investors, undeveloped and underserved, except in pockets of places where extractive industries spring up to tap the natural raw material resources. Of course, the paternalistic relationship of the region with their old colonial administrators has, to a great degree, contributed to the underdevelopment and undervaluation of the collective potential of the people of the Pacific Islands.

Saiki posits that the pursuit of infinite national growth cannot necessarily improve the wellbeing of the Pacific citizens. Most nations have been pursuing the goal of measuring and increasing incomes and maximising growth, but they are still worse off even when gross domestic product (GDP) has grown almost double. The author therefore recommends the adoption of Intemperate Integrated Ecological Accounting, which measures all aspects of development and factors in the total impacts and costs. Why should national accounting ignore developing nations' priorities, such as their ecological biodiversity and their impacts? It is this anomaly that the Ecological Economic Accounting framework seeks to address.

Saiki's methodology builds on previous ecological-accounting parameters such as the System of Environmental Economic Accounting (SEEA). According to the author, the SEEA actually envisioned environmental account as an indicator in the economy. Though the SEEA promised to be an international system to help value biodiversity and the attendant degradation in the national accounting system, it has since been subsumed by certain powerful private interests. Ecological resources such as water and the atmosphere are being treated as commodity and thus pegged to other capital expenditures. This is not ideal, as ecological equity and wellbeing are not adequately valued.

The merit of Ecological Economic Accounting over the existing System of National Account (SNA) is that it advocates that the integral relationship between the peoples' cultures and their environment be factored into economic measures. The intemperate

accounting model goes further to provide a more equitable way of not only valuating ecological biodiversity but also accounting for the wellbeing of the people and aggregating the benefits of countries and regions in the global economy. It comprehensively takes care of the health of the ecosystem, the wellbeing of the people, and the security of the planet and future generations.

Saiki's work is a seminal research product meant to revolutionise and reframe the whole narrative of development in the Pacific region. It is an expose on the lessons about accounting for the ocean and land resources, re-emphasising that gross national product (GDP) is grossly insufficient as a yardstick to measure the development of a nation or region, the wealth and riches of the peoples and the quality of their social welfare and economic wellbeing.

It is indeed true that we get what we measure. Therefore, if we are not measuring the right things, we are going to get the wrong results. All these precipitate us towards condensing all of life's activities into monetary value. Intemperate Ecological Economic Accounting makes it possible to prioritise the economic welfare of the Pacific nations in a way that recognises and accounts for the cultural and social bonds that people have with their environment. This is in a context of increasing loss of our biodiversity, alarming levels of environmental degradation, resource depletion, the rise of carbon parts per million (CO₂ ppm) in the atmosphere, and the resultant climate change crisis the world is witnessing in this century.

Saiki advocates that we consider the economic consequences of the several predatory industries taking undue advantage of the Pacific's economic insecurity and the dastardly exploited land and marine flora and fauna. This means environmental standard must be studied and the best holistic valuation (accounting) framework be adopted. This is a new methodology for measuring our economy and the intent propelling this change should be motivated by priorities such as the resilience, wellbeing and securities of not only the peoples and communities but also the natural environment they live on.

The author, in this research, succinctly hammers on the need for a Regional Data Policy in the Pacific Island Territories. Regional Data Policy will help the Pacific people leverage their ecological data for more economic gains, control value and set a high standard for the world in terms of ecological sustainability. The policy will also enable the region to enforce various provisions to ensure the protection of the people's wellbeing, their economy and the ecological environment which belongs to them. A typical example is the GDPR (General Data Protection Regulation) which manages data compliance and privacy for the European Union citizens.

It is only through a data policy that the financial gains from ecological data can be taken back from foreign and private hands and channelled to the customary stewards. Of course, there is no better time than now to give due right, regard and recognition to the Pacific people as the customary rights holders of their locale. There is need for cordial and symbiotic alliances with other nations, even as Saiki posits: *[T]hey are multiple players with varying degrees of interest. For example, the British may be trusted auditors, the EU fair regulators, the EU creative at packaging investments, while China provides 21st century access and infrastructure and Australia, Japan, Southern Asia may be good markets for providing small and medium-sized enterprises. All the partners would benefit from fair and equitable exchanges if the Pacific region owned and managed its ecological resources rather than foreign interests trying to privatize them for their own benefit.*

It is clear that the Pacific peoples will be unable to value their regional data if they do not own it. There is need for the Pacific to design and implement the tools to adequately manage and quantify regional data and harmonise it with international markets as the baseline for global metrics of environmental and economic accounting. This is the route forward for the Pacific to lead the world in valuing ecological biodiversity: by creating a new approach towards reversing the negative impacts of industrialised activities and thereby restoring the planet.

The intermerate ecological accounting framework clearly indicates that there is a large ocean of statistical data which must actively be measured, managed and included in the accounting metrics, just like the manner in which oil has been valued by OPEC countries. It is only by this that biodiversity and Pacific Island assets will not be undervalued and under-priced. This is predicated on the idea that the value of data accounted for is what will raise the equity of the Pacific and enable the region to attract myriad investments in ecological R&D products that will help reverse climate change and restore ecological-economic order and equilibrium.

Saiki adopts the "intermerate baseline approach", which according to him, "is central to establishing an ecological baseline for biodiversity that attributes a value that includes labour, stewardship and management of statistical data". The author comes up with the Intemerate Accounting Equation, which is given thus: **M\$=R+V**

Where

M\$ is Monetary Factor

R is Regional Accounts

V=K*Q is Ecological Assets

K is Impact Factor

Q is Equalization (for Pacific)

The accounting of the intemerate baseline could be tested through standard statistical input-output tables. Each indicator in the tables needs to be translated into quantifiable data and then summed up. The value of the equation does not mean throwing away GDP but the conventional GDP can shift to be in line with local/regional/global mandates to ensure more equitable wellbeing. The intemerate baseline for the ecological accounting module is therefore scalable and can be used to stimulate ecological services in a way that will financialise ecological economic growth.

Saiki offers some case scenarios to buttress and clarify the intemerate baseline for ecological accounting, such as Munda, a province in the Western Solomon Islands, where an intemerate accounting model will be used to reconsider rebuilding a fence to allow the land crabs restoration to their habitat, thereby gaining in ecological biodiversity and socio-cultural influence; and the Pristine Island, which is a naturally raw and uninhabited place with no offsets to restore, but any spillage or damage through tourism will require intemerate accounting to reverse and restore the ecological baseline rather than ignoring it as GDP would do.

This research work concludes by recommending a roadmap for integrated ecological accounting in the pacific region. It is a thirty-year (2020 – 2050) visualisation to governments, policy makers and civil society institutions to adopt and implement a regional ecological-economic platform for national measure of wellbeing, economic welfare, genuine security and real development.

It is expected that 2020 is the commencement year when Regional Ecological Integration is formally introduced as part of a Regional Wellbeing program, with feasibility studies created at the international level. After this is the launching of pilot programs and signing of MOUs with funders to promote this initiative. Year 2023 will witness the exploration of competing ecological accounting programs by other countries and institutions. By 2025, states will begin to shift towards an ecological accounting framework. The region must have fully implemented ecological accounts into their national accounting systems in 2027. By 2030, other regions are expected to begin implementing similar accounting systems. The Pacific will have their economies strengthened and are to be on par with the developed world. 2040 is the year of optimism when most of the negative social impacts of the climate will be reversed globally. The Pacific, by 2050, will be seen and recognised as the leader and catalyst of global climate reversal.

Saiki's approach of ecological accounting framework is bound to pose some challenges. Nevertheless, the immediacy and comprehensiveness of the framework is a big quantum leap waiting to happen for good of the global south.

Accumulation of data must include not only the several indigenous systems but also the practical processes of the region, the state local customs, business and industry. Bureaucracy will tend to hamper these processes. The method of data gathering too will definitely be affected by established customs and protocols. Although there already exists an avalanche of ecological data on the Pacific, the region still remains underserved and without a comprehensive data policy. There are several agencies such as UNESCAP, the World Bank, private conservation trusts and other private industries and national institutions who must work together for the success of an ecological accounting system. A top-down multi-sector approach to data gathering and management which excludes the rights holders from owing their data would not work. The original owners of the data (i.e. the citizens) must be fully involved. Donor agencies too must rise up to give financial backup for the needed facilities.

To effectively adopt and implement the roadmap and prepare for the Intemperate Ecological Economic Accounting Framework, a six-step multi-faceted agenda must be undertaken, namely: feasibility study, developing an accounting table for ecological data, ecological data collection and audit, developing a network and database, incorporating Ecological Accounting with Environmental Science as an educational program, and negotiating sponsorship mechanisms with funding partners to develop the robust infrastructural facilities required.

Saiki's work is a potentially groundbreaking and visionary approach that should not be seen as a mere scholarly exercise that should be swept under the carpet. It is an in-depth study of how humans can resolve modern-day ecological ordeals faced by us all but being borne more by people in underdeveloped nations. It is a call, not only to the Pacific people, but to all other developing countries particularly Africa and other emerging territories around the world, to measure and account for all the social costs of our wealth creation activities in the national accounts and to positively influence the economic-ecological order.

It is expected that the recommendations from the research be taken as topics for political discourse all over. Arnie Saiki has succinctly delved into an area of research which promises a lot of contributions to not only the good health and equitable wellbeing of mankind but the sustainability of our future in our now fragile and endangered planet.

Broadly the book provide a deep insight into the historical and contemporary issues that collectively make up the touchstone of the new development paradigms, a reason the book is highly recommended to anyone who seeks to understand why the global south is the way it is, a wasteland of extraction without real development!