ECUMENICAL SCHOOL ON GOVERNANCE, ECONOMICS AND MANAGEMENT (GEM) FOR AN ECONOMY OF LIFE

Title:

ReGeneration: Intemerate Accounting and Political Economy for the Earth and its People

Introduction: Perceptual Dilemmas and the Growth Narrative

National income calculation persists as a major tool in economic research and policy development despite clear moral and economic disadvantages to the pursuit of growth (Nesterova, 2020). While national income was first conceived in the 17th century to provide insight into changes in a nation's stock of wealth and wellbeing, national income growth is not an economic measure, but a military and civilizational one, and ultimately a competitive measure among nation-states. The pursuit of growth stems from a perceptual dilemma where, both at the micro- and macro-economic level, income and production growth are not pursued only for their own sake, but in competition with other entities—entities which have limited capacity to measure and predict the amount of growth is needed, and in which areas of activity such growth is needed to avoid relative weakness (see Rodrik 2004).

Mark Francis (1998) notes the gradual displacement or replacement in 19th century Europe and its colonies of concepts of civilization as moral or social refinement by concepts of civilization as "an efflorescence of material wealth…. a quality lacking in an indigenous people". The measurement of wealth constituted and continues to constitute a form of discursive positioning to provide ideological justifications for immoral and often illegal activities of exploitation, appropriation and unfair exchange. National income, in particular in the post-Cold War era, has been employed to both depoliticize and quantify "the notion of a certain people's…stage of civilization", crystallizing both concepts of civilizational progress and discourses of Western superiority that greeted the irruption of global South independent polities and economies into the world scene since the Haitian Revolution (Koekoek, 2020; Rivara, 2021).

It is this narrative or complex of narratives which contributes to making the abandonment of growth a question of civilizational importance, rather than a simple technocratic adjustment. The abandonment of growth and national income measurement questions the supposed superiority of Western civilizational development in which a commercial stage, driven by a diversified and self-organizing transnational private capitalist class, represents an advanced and final stage of human development, as popularized in the French and Scottish Enlightenment periods and the right of such societies to tutor and theorize societies which they have previously oppressed or colonized (Perry, 2021; Borras et al., 2018; Gohrisch, 2020).

Authors such as K.K. Perry have addressed the question of racial capitalism in terms of its impact on policy outcomes and processes relating to climate change (Perry, 2020, 2021). Another aspect of the impact of racist capitalism has been the impact of chattel slavery and vertical economic hierarchies on perceptions of poverty. The devaluation of human life through systematic deepening of inequality and poverty also creates irrational aspirations and expectations of the quantum of wealth accumulation necessary to avoid households' descent into poverty. In the context of the previous two perceptual dilemmas, assigning a price to pollution or adding a consumption tax to impact consumption of unsustainably produced goods and services may not have the desired impact of revalorizing the ecology without negatively impacting the other face of environmental damage, which is the devaluation of human life through inequality and poverty.

Pathways and Options for Critical National Accounting

Intemerate Accounting is an action-oriented post-growth developed collaboratively in multiple global South contexts, which provides a framework for the development and reinforcement of traditional institutions, valorization of traditional and collective knowledge and knowledge processes, and the development of new technologies for economic and legal governance (see Caniglia et al, 2021). The operation of IA will be described below in five moments.

Money and the Definition of National Income

Money is a legally constituted instrument which forms the basis of a financial system of incentives and measurements designed to produce future returns (Pintor, 2013, p2, p32). The definition of these returns as wealth is also a key function of monetary instruments. The intemerate equation includes an assessment of money that is relevant to some of the current structural issues that are taking place within our central banks, namely digital currencies and crypto currencies, and the impact that debt, shadow banking, and offshore money havens might have on currency reserves. What we have envisioned with our Intemerate Equation, is a M$\sum$A (sigma sign denoting the sum), or a Monetary Equivalence Assessment (MEA). Our inclusion of the MEA is to show how the current aggregates of our monetary supply could begin to adopt some of the technological advancements in our value chains to include Ecological Assets.

As a post-growth indicator, the M$\sum$A separates GDP or national income from wellbeing as separate but related concepts. Service activities include a value relative to GDP. Decreases in the capacity of wellbeing service providers or wellbeing itself has a negative impact on GDP. Payments to social and emotional labour, such as care or participation in education, constitute capital income as opposed to wage income.

Pricing and Production

In Intemerate Accounting, production and trade derive from a series of legal agreements that affect the measurement, tracking, ownership and operation of the following processes: design, research and development, production or provision, infrastructural development, marketing, distribution and intellectual property. Economic production impacts social ontology through both the production process and the consumption process. Intemerate Accounting allows for negative impacts on social and environmental sustainability in both production and consumption to be reflected in price.

Pricing the use of environmental resources and the emission of pollutants is viewed as an optimal means of signalling environmental costs (Schlegelmilch et al., 2017). The use of environmental taxation and cap-and-trade systems are decorative activities which must be complemented with direct reflections of the degradative impact of pollution and environmental abuse on sustainable growth potential. Intemerate price depression represents a means to address tax avoidance and evasion by polluting companies, and promote the transition to less carbon-intensive production and consumption in relation to NIFEA recommendations to implement carbon taxation, and thus represents a third option between taxation of consumption and investment spending (Huo, 2020) which places more targeted pressure on unsustainable value chains, while reducing inflationary pressure and giving clearer signals to investors for future risk and return calculations.

In terms of this degradative impact, we are still faced with some difficulty in predicting the impact of environmental damage on economic activity (Eaton and Sheng, 2020). However, we do have ample historical evidence of the impact of environmental damage on human wellbeing and long-term economic and political stability. In this context, we can conclude confidently that ecological damage increases the risk of negative trends in the reproduction and quality of micro factors, and has the potential to increase the cost of maintaining the standards of wellbeing experienced at time of the baseline measurements identified.

Regenerating Capital

The environment has no known or feasibly calculable cost, so the only feasible way to impute value is to create baselines which can then be compared to current activity through offsets. Intemerate offsets are based on the restoration cost of sustainable levels of environmental factors. In cases where use and depletion exceed sustainable restoration levels, offsets emerge which depress value and price, but also increase capital availability for investment in restoration. This capital is generated by the data which track the discrepancy between sustainable and unsustainable levels. While these offsets contribute to our understanding of social and economic development, we are less concerned with incalculable environmental values than with the impact of use and emissions on labour, health, human wellbeing and sustainable access to capital.

IA adjusts the conventions of our national accounting system to include a means to provide developing countries with a standard for accessing wealth while contributing to the local, regional, and global economy. This provides an alternative to thinking about structural change based on GDP levels (Lin and Wang, 2020) This also means that actions and choices that serve to maintain intemerate offset levels, such as opting to leave non-renewable minerals or energy untapped, generate economic value in direct relation to their opportunity cost (contribution to GDP plus the forecasted cost of restoration).

The unique feature of Intemerate Accounting baselines is that they invert the starting point to be the goal, using data to measure and give value towards restoring those baselines. This inversion is represented in this equation, with “n” representing the factor that is being restored. You can apply this to almost any environmental or social wellbeing condition and record this in quantifiable terms to meet the real-world conditions for auditors and regulators. Rather than a top-down commodity driven approach where environmental values are leveraged against carbon offsets for example, the intemerate baseline is a bottom-up approach where environmental values are determined by the interactions of local communities.

Intellectual Property

Contrary to the developmentalist approaches that position customary or non-industrial economic practices at the lower end of the development scale, Intemerate Accounting assumes that intellectual property is generated by primary production and stewardship. Subsequent use, transformation and display of such products are thus subject to the payment of royalties. Agricultural and other production involves the investment of intellectual endeavour, creativity, as well as substantial emotional and social labour in the undertaking of the risks inherent in the production of primary goods. The intellectual property aspect of agricultural production has seldom been recognized, and in modern trade, is assumed to be embedded in the exchange value of primary goods.

Most of the necessary technology in terms of advanced value chain analysis, tracking of provenance, and monitoring of the transformation and use of primary products is available (Stapleton, 2019). While deserved emphasis has been placed on land tenure, access and community ownership (Parot et al, 2021), the issue of agricultural intellectual property provides another vista for the reinforcement of community stability and capacity in rural and agricultural settings as relates to reform of intellectual property rights regimes to benefit the global South (NIFEA, Action 3).. This technology can be employed to register agricultural intellectual property, and ensure its returns to primary producers over the lifetime of the products they provide for human consumption, use and transformation. Similar to the use of intemerate pricing, the reform of intellectual property will assist in reducing market illiquidity, or the difference between transaction prices and the fundamental value of the goods and services exchanged (Brunnermeir and Pedersen, 2009). Such action is especially important in the context of the transition to circular production and consumption models in the global North, which may have significant impacts on the trade flows from the global South (van der Ven, 2020).

Similarly, environmental data are inalienable to local, indigenous, or customary communities' processes that exist, develop and emerge to benefit from the services and technology needed to meet their targets and goals on their timeline. By claiming these data and appropriating or developing means of measurement, indigenous, customary, and impacted communities can determine what their baseline is via their own processes, interactions, and value systems and essentially own their own data to protect the inherent wealth of their environmental, health and wellbeing factors.

Taxation and Equalization

Technological advancement demands that the Global South adopt new methods and standards that will allow them to own and manage their ecological and wellbeing data, rather than have to remain tethered to value chains that do not have the best interest of the Global South in mind (TNI, 2021). Taxation on the new forms of capital outlined above, and financial products and markets based on the bundling of offsets represent new forms of financing for governments, reducing their dependence of corporate direct investment or tax revenues. The data's value is accounted for through equalization. Equalization recognizes the imperatives of reparatory justice, the historical role of colonialism and imperialism in the expansion and intensification of global production and pollution, and the fact that local activities in the global South are not necessarily undertaken to satisfy local demand. The value of the data is therefore equalized on the basis of an average of population and GDP (Saiki, 2020). For the Global South, equalization should not have to solely depend on the generosity of rich economies to develop new standards for measuring ecological wealth, especially when fragility factors have increased, often as a

result of post-colonial or neoliberal industrialization and privatization. Instead, equalization should be considered as a means to decrease the propensity of financial systems to reach the point of crisis or self-destruction (Pintor, 2013). The adoption of a new ecological accounting facility also has a potential for reducing debt as there would be mutual North-South interest to embrace an ecological accounting framework that could directly help to offset some of the loss and damage factors in the advanced economies, a costly result of climate change.

Conclusion: From Environmental-Economic De-Growth to Re-Growth

Governance is a term used to describe the form and function of institutions, networks and other structures that represent the context in which decisions are made and implemented. It also encompasses the means by which individuals and social groups, including states and other polities are represented within these structures. Intemerate Accounting is geared towards providing a basis for the recognition of mutual interests and is necessarily a balance of attention to global or macro factors which cannot be traded, and micro factors which can be commoditized, owned and traded. It also focuses on the relationships between these two, in the context of local and regional policy and economic environments.

The development of Intemerate Accounting has been a cross-disciplinary process involved multilevel system mapping, the reconstruction and critical assessment of past systems, facilitation and clarification of implications of relationships and systemic change, the modelling of future systems, and the mapping of the process by which discourses become hegemonic. (Koch and Buch-Hansen, 2020, Chertkovskaya and Paulsson, 2019; Buch-Hansen, 2018) Intemerate Accounting represents a strategy of both meeting the ends of justice while also acting as a means of justice through its use of equalization, and focus on community data ownership, participation and responsive pricing. If and when adopted, IA could provide the kind of systemic sea-change necessary to tackle these three perceptual dilemmas that drive the crisis of global governance, as well as the three biggest issues defining ecological and economic justice: reversing climate change, restoring our ecological biodiversity, and redistributing global wealth. It responds to the need to complement the recognition of economic activities embeddedness in biophysical phenomena with recognition of its embeddedness in mutuality or webs of social relationships and activity (Spash, 2017, Smith et al, 2021). IA in practice opens the possibility of a triple circulation development paradigm, where domestic and international economic flows (Lin and Wang, 2021) are complemented by an intemerate ecological accounting format that complements the two and provides a clearer reference point to policy makers at various levels for economic and other policy decisions, linking national and global economic goals to our inseparably intertwined ecological priorities.

Suggested Readings

Eaton, D. and Sheng, F. eds (2019). *Inclusive Green Economy: Policies and Practices*, Dubai, Shanghai: Zayed International Foundation for the Environment and Tongli University

Saiki, A. (2020) *Ecological-Economic Accounts: Towards Intemerate Values*. Suva: Pacific Theological College

Scobie, M. (2019) Global Economic Governance and Small States: Architectures and Agency in the Caribbean. Cheltenham: Edward Elgar Publishing