



Want to explore and co-create a new global systemic accounting system ?

Join Arthur Dahl and a global group of sustainable economists, thinkers and doers

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Global Systems Accounting - Beyond Economics

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Rethinking Accounting



- Using other than monetary currencies
- Capital as standing stock of a resource
- Interest is extracting wealth from capital
- Debt is borrowing capital, reimbursed with interest

Replacing present financial system

- Monetary profit over all other benefits
- Stock markets, return on investment
- Profit is aim of banking system, corporations
- Central banks have pumped money into system
- Government debt inflated, stock market highs

Replacing present financial system

- Wealth generates wealth, rich get richer
- Giant debt bubble rolled over with borrowing
- Development aid largely as loans
- Neocolonial economic system removes wealth
- Developing countries trapped in debt servicing

Values and principles a new system

- One human family with rights and obligations
- Justice, leaving no one behind
- Right to necessities of life (food, water, shelter)
- Develop capacity to contribute to human well-being and social advancement

Values and principles a new system

- Responsibility for care and management of natural world
- Living within planetary boundaries
- Moderating material civilization
- Restoring damage, regenerating nature
- Sustainable Development Goals

Values and principles a new system

- Intellectual capacity for science, art, culture
- Respect for truth
- Trust and trustworthiness
- Responsibility to enrich, preserve, transmit this heritage of learning and knowledge
- Human purpose essentially spiritual, acquiring higher values

New Forms of Capital Relevant Currencies

Alternative Accounting

- Environmental accounts: Carbon, Biodiversity, Pollution
- Social/economic accounts: minimum living (poverty), food, health, work/employment
- Knowledge and education
- Spiritual accounts

Carbon Accounting

- A carbon price is still monetary
- Need accounting with carbon as the currency
- Early life removed carbon from atmosphere
- Carbon budget was in balance: animals/plants
- Fossil fuel extraction upset that balance
- Carbon concentration in atmosphere now at dangerous level

Carbon Accounting

- Biomass and organic carbon is carbon capital
- Plants maintain capital + ecosystem services
- Excess atmospheric carbon is carbon debt
- We are living beyond our means in carbon
- Countries with biological resources have carbon storage capital, needs regeneration

Carbon Accounting

- Destroying biological resources and releasing fossil carbon increase carbon debt
- Wealth from fossil energy should be taxed to reward carbon removal
- Atmospheric carbon continues to harm, so annual tax on historic emissions is paying interest on debt

Carbon Accounting

- Payments for carbon sequestration could transfer wealth to developing countries
- Total carbon accounting would quantify national responsibilities, as well as private sector and civil society, with positive and negative incentives
- Countries with high per capita fossil energy use would pay the most

Carbon Accounting

- Funds raised could support mitigation and adaptation in poor countries
- The UNFCCC and IPCC could evolve into a global central bank for carbon accounts

Biodiversity Accounting



- Natural ecosystems and their species are biodiversity capital
- Reduction in biodiversity increases debt
- Species extinctions are bankruptcies
- Accounts based on biological inventories and measures of ecosystem services (oxygen production, carbon sequestration, ecological balance and dynamics, remote sensing)

Biodiversity Accounting

- Biodiversity capital stock and changes thus based on objective science
- Loss of biodiversity, such as deforestation, should be taxed
- Revenues would support biodiversity conservation and restoration
- CBD, conservation conventions, scientific advisory bodies, responsible for accounting

Pollution Accounting

- Clean environment is capital to be maintained
- Pollution releases increase debt
- Environmental capacity to clean is wealth generation
- Persistent pollutants are a debt burden, requiring interest payments

Pollution Accounting

- Quantification of pollution debts implements polluter-pays principle
- Initial accounts for persistent organic pollutants, mercury, plastics, and nitrogen and phosphorus exceeding planetary boundaries
- Taxes on releases would finance clean-up

Pollution Accounting

- UNEP and related chemicals conventions could become global environment agency to manage pollution accounts
- Also overall global biosphere accounting linking to carbon and biodiversity for health of the planet's natural systems and life-support services

Minimum Living (Poverty) Accounting

- Social capital is every human being having a guaranteed minimum income to meet basic needs
- Universal social safety net without conditions such as nationality, handicap, migration status
- Poverty statistics measure debt side of accounts

Minimum Living (Poverty) Accounting

- Need adequate measures of individual wealth escaping from national control or hidden
- Graduated income and wealth taxes would transfer share necessary to meet needs of the poor
- UNDP and World Bank charged to balance global wealth and eliminate poverty

Food Accounting

- Food is capital necessary for human wellbeing
- Goal universally-adequate human nutrition
- Food insecurity linked to poverty, crop failures, rising food prices
- Accounting for food production, distribution, consumption, waste, meeting nutritional needs

Food Accounting

- Need comprehensive global assessment of food production, including population increase, soil degradation, water shortages, overfishing, identifying limits of planetary food production
- Integrating measure of efficiency (meat versus vegetarian), impacts of climate change

Food Accounting

- Food accounts provide basis for controls/taxes on unsustainable production, commercial foods of low nutrition, and support regeneration of food production, guaranteeing decent income to subsistence/commercial farming and fishing
- FAO responsible for food accounts, enough for everyone with sustainable methods, no one going hungry

Health Accounting

- Human health and productivity are capital
- Activities that damage health increase debt
- Presently measure financial costs of health care, not loss of human well-being
- Tobacco, narcotic drugs generate profits because health impact ignored
- Pollution and climate change impact health

Health Accounting

- Existing health statistics provide basis, but need more on good health and life expectancy
- Multicultural perspective on good health beyond Western curative approach
- WHO responsible for health capital accounting of all humanity
- Global risks/pandemics addressed in common interest

Work / Employment Accounting

- Every human being has capacity to contribute productively
- Should receive education and opportunity to use capacity in meaningful employment
- Work has social function for human dignity, to be of service, to develop higher moral or spiritual values

Work / Employment Accounting

- Work includes social services, housekeeping, raising children, subsistence food production, environmental and cultural services
- Capital stock would maximize every person's productive potential throughout life
- Need employment accounting system for all contributions, genders, ages, capacities

Work / Employment Accounting

- Unemployment is debt, reducing capital to generate further wealth
- Marginalization due to gender, ethnicity, handicap, other biases
- Indicators provide positive and negative incentives for more inclusive society

Work / Employment Accounting

- ILO could provide accounting of human capacity to generate wealth and well-being
- Ensuring that every person has some useful skill and the means to earn a living through meaningful service

Knowledge / Education Accounting

- Intangible capital of knowledge, science art, culture
- Increase in value the more they are shared
- Materialistic society has turned into intellectual property, sold to those who can afford it
- Creates knowledge debt relative to benefits of open access

Knowledge / Education Accounting

- This form of capital/wealth needs to be transmitted through education to each new generation
- Accounts for standing stock and preservation of knowledge and culture, and dynamics of access to knowledge, use, creation, storage and transmission

Knowledge / Education Accounting

- Multiple levels: global, national, local, families
- Educational statistics, knowledge inventories, use of big data
- UNESCO and related institutions account for global capital

Spiritual Accounting

New work on Spiritual Capital
may suggest ways forward with
similar accounts

New Definitions of Wealth

- All forms of capital combined into new definition of wealth, in complementary currencies
- No longer manipulated in national interest of states
- Founded on scientific standards of human and natural well-being
- Weighting adjusted with priorities: climate change, pandemic

New Definitions of Wealth

- Money returns to currency of exchange, a means not an end
- Single global currency
- Still wages, profits for efficiency, moderate interest, reduced financial system
- New measure of total wealth, balancing inputs and outputs

New Definitions of Wealth

- Institutions would not manage everything, national autonomy and subsidiarity
- Accounting for global common interest, motivating human well-being
- Replacing present financial system (will resist change) by providing alternative
- Creating new just, equitable, sustainable world society in harmony with nature