

# Binomial Inseparable Environmental Economics

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**Abstract**— During the historical evolution, the human society has confronted numerous natural crises or irrationally generated by man, of small or great dimension and intensity: some political and social, others economic or related to connected fields like reproduction, trade, consume, accumulation.

The present marks the awareness of the population about the most acute of all crises, a global one without precedent: the ambient crisis, accompanied by a global financial crisis like in a Cassandra's Choir.

Although it is tough, even impossible to establish their birth within time and space coordinates, the majority associates them with the period of industrial revolution, because the man's wish of a better, more sustainable life has uncontrollable effects on the environment.

Thus, the change with its multiple faces and components remains a priority for the protection of the environment and of the sustainable development, and people face the most important choice of their long history.

One with paradigmatic values – having rational, ecologic, protectionist, emotional, educational valences – generated by the troubling metamorphoses like: the exhaustion of natural resources, “baby-boom” beyond any control, the ecologic unbalances, the inequality of chances when education, health and carrier are concerned.

**Keywords**— ecologic. environment, globalisation, protection, sustainable,.

## I. INTRODUCTION

“Globalisation” is the word of the moment, the most discussed and probably the least understood concept of this millennium; very “young”, it could be only an “accident”, a passing moment on the scale of the future history.

Environmental economics is related to ecological economics but there are differences. Most environmental economists have been trained as economists. They apply the tools of economics to address environmental problems, many of which are related to so-called market failures--circumstances wherein the “invisible hand” of economics is unreliable. Most ecological economists have been trained as ecologists, but have expanded the scope of their work to consider the impacts of humans and their economic activity on ecological systems and services, and vice-versa. This field takes as its premise that economics is a strict subfield of ecology. Ecological economics is sometimes described as taking a more pluralistic approach to environmental problems and focuses more explicitly on long-term environmental sustainability and issues of scale.

These two groups of specialists sometimes have conflicting views which can often be traced to the different philosophical underpinnings of the two fields. Some ecologists subscribe to

deontological ethical systems; other economists subscribe to teleological ethical systems. Neither ethical system can be demonstrated to be right or wrong, but they may sometimes have different implications for environmental policy. Environmental economics is viewed as relatively more pragmatic in a price system; ecological economics as relatively more idealistic as it supposedly does not use money to arbitrate decision making as much.

Another context in which externalities apply is when globalization permits one player in a market who is unconcerned with biodiversity to undercut prices of another who is - creating a “race to the bottom” in regulations and conservation. This in turn may cause loss of natural capital with consequent erosion, water purity problems, diseases, desertification, and other outcomes which are not efficient in an economic sense. This concern is related to the subfield of sustainable development and its political relation, the anti-globalization movement.

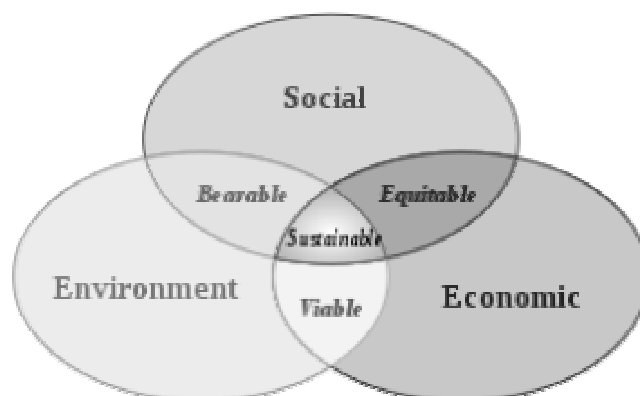


Fig 3 The three pillars of sustainability

Environmental economics was once distinct from resource economics. Natural resource economics as a subfield began when the main concern of researchers was the optimal commercial exploitation of natural resource stocks. But resource managers and policy-makers eventually began to pay attention to the broader importance of natural resources (values of fish and trees beyond just their commercial exploitation, externalities associated with mining). It is now difficult to distinguish “environmental” and “natural resource” economics as separate fields as the two became associated with sustainability. Many of the more radical green economists split off to work on an alternate political economy.

Environmental economics was a major influence for the theories of natural capitalism and environmental finance, which

could be said to be two sub-branches of environmental economics concerned with resource conservation in production, and the value of biodiversity to humans, respectively. The theory of natural capitalism (Hawken, Lovins, Lovins) goes further than traditional environmental economics by envisioning a world where natural services are considered on par with physical capital.

The more radical Green economists reject neoclassical economics in favour of a new political economy beyond capitalism or communism that gives a greater emphasis to the interaction of the human economy and the natural environment, acknowledging that "economy is three-fifths of ecology" - Mike Nickerson.

These more radical approaches would imply changes to money supply and likely also a bioregional democracy so that political, economic, and ecological "environmental limits" were all aligned, and not subject to the arbitrage normally possible under capitalism [15]

The ecologists, the protectors of the human rights, the groups of farmers and people of the third world shout this at the meetings of the world elite power in Seattle, Washington, Prague or Venice.

At the same time the economists and journalists specialized in the world of business fill up shelves and volumes naming globalisation "a historic inevitability".

That is why we will not use statistics, we will not prove tendencies, we will not analyse macro or micro, we will not use learned treaties.

We suppose that the concept of globalisation and its way of manifestation are known. [1]

The word "globalisation", a bauble which has become a slogan very quickly, a magical incantation, a passepartout, is capable of opening the doors to all present and future mysteries. In the opinion of some people, globalisation is something that has to be understood immediately if we want to be happy; others believe that the source of our unhappiness resides in this globalisation. It is sure that globalisation represents the implacable destiny towards which the world is heading, an irreversible process which affects us all equally and in the same way.

The more we research the social causes and the results of the time and space compression, the more clear it becomes that the globalisation processes are void of the presumed unity of effects.

The globalisation unites and divides at the same time: the causes of the division are identical to those which promote the unity of the globe. Parallel to the rising of the global business level, of the commerce and information, the process of localisation, of space settlement, has started functioning. What is globalisation for some, it is localisation for others.[2]

The globalisation is a phenomenon of the contemporary economy. It does not consist of the entire economy, but only of certain fields and geographical areas, the majority of the Earth's territory. It appears under different forms which we are naming right now as "global capitals".

The global capital is a status quo, a form of existence, a manifestation of an economic phenomenon. It does not have

principles. It has only conditions of existence: the maximum profit at any price, anywhere, all the time.

We have two elements in the global phenomena: the subject (global capital) and the object (population), either from the areas of origin of the global capital, or from its revaluation area. Some global problems, like the warming of the atmosphere, the hole in the ozone layer or the cutting of the rainforests, show in the most impressive way the globalisation phenomenon, because it is about the global problems which need a global approach.[3]

Of course in the field of the environment there are regional and local problems, even if these have a feature which exceeds the borders, like the pollution of the rivers.

In time, globalisation has had different definitions, managing to introduce a new verb in use – to globalise – for the first time in 1944, in the Merriam Webster Dictionary.

Before that, there were only the concepts of global and globalisation. By global people understood an extension of the connections to various types of localities, creating a new phenomenon, but also a special attribute.

There appear the concepts of global space and global geography which remove the bad influences of the distances between localities and connect them to each other, making up new maps on which the lines will mark new ways of travelling, migration, movement, communication, trading etc.

The appliance of the global into the geographical field, leading to its physical expansion, has generated the globalisation, which means a growth in number and volume of the global fluxes, but also a growth of the impact of the global forces on the local life.

The main moments and main forces of the expansion mark the turning points and the landmarks in the history of globalisation.[4]

The globalisation, together with the advantages and the positive transformations which brings to the level of nations, has aspects which point most of the times to problems and reasons to worry. – see fig. 1

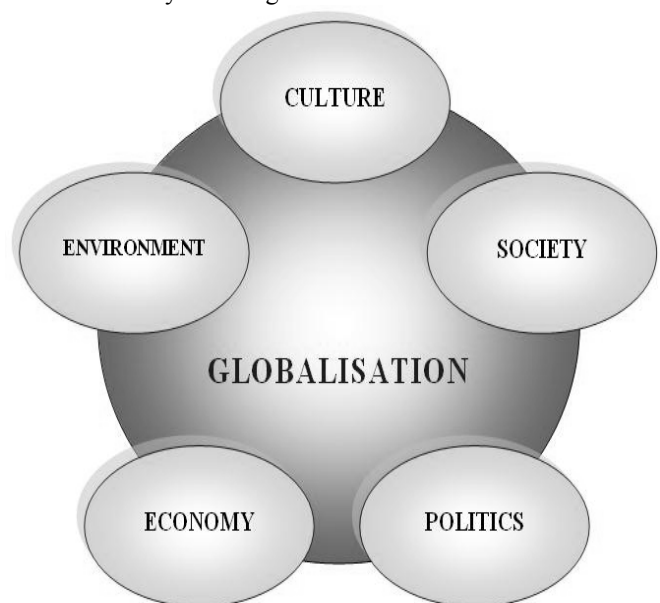


Fig.2 The dimensions of Globalization

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Of course in the field of the environment there are regional and local problems, even if these have a feature which exceeds the borders, like the pollution of the rivers.

There are other situations, which are not connected to the time and space elements.

For example, the survival of very small island states, which have formed the organization AOSIS and which are seriously threatened by the continuous growth of the level of the sea, depends on the behaviour of all the people in the world, and especially of those from the developed industrialised countries.

Regarding the social dimension of the globalisation, the world has become a “global village”, innovating networks of communication to great distance (chat, e-mail) adding to the traditional communities like family or neighbourhood.

Still they cannot replace these traditional spheres of communication, in order to name only one example within the social dimension.

The political dimension is facing major problems. The globalisation and the competition at a local level limits the space of action of the national politics, a lot of problems could not be solved properly but at an international level, respectively global level. Thus there must be found new forms and new political arenas.

The European integration is seen as a successful answer to all the challenges of globalisation.[5]

The politics at a regional and national level has had and still has to suffer from the unlimited and dematerialized economy practised more and more at an international level, respectively global.

Capitalism, a factor of the social status, is threatened as well by this fundamental unbalance.

However, not all the things which are connected to the globalisation are true.

Many times, the politicians use the globalisation as a kind of scapegoat and as a justifying weapon with various uses.

This thing is obvious especially if we think about some examples from the political field which do not cross at any point with globalisation

## II THE CAUSES OF GLOBALISATION

The complex phenomena cannot be explained unless we take into account several causes. This is the only point that everybody agrees on concerning globalisation.

The rest of the facts still remain contested. According to the approach related to globalisation is used as a starting point, other causes and motive powers appear in the limelight.

The most invoked causes are presented in the picture below, but the list is incomplete.

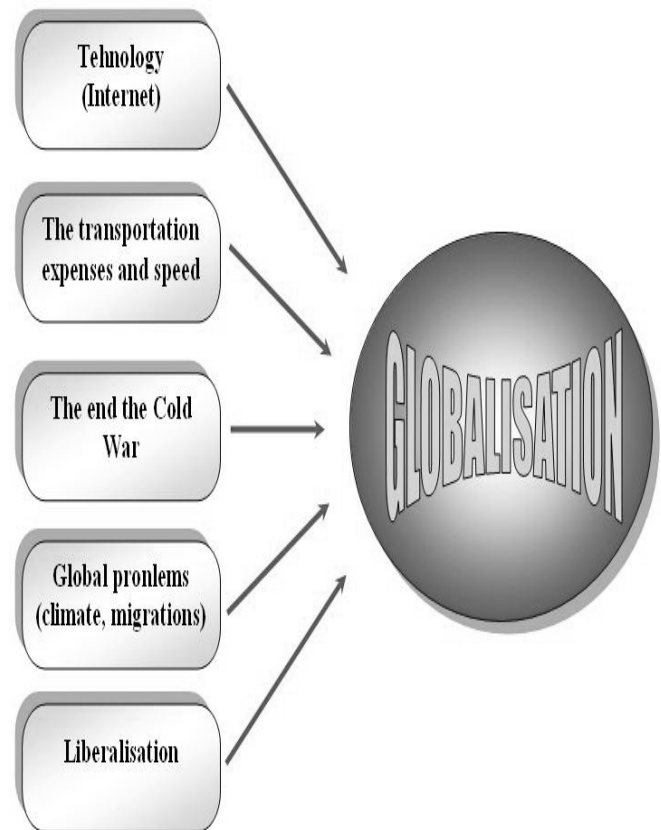


Fig.3 The causes of globalisation

Without a doubt, the technical innovations – and especially those from the computers field and those of the communication field – have been playing a central role.

The internet is, from many points of view, the emblem of globalisation.

The financial markets globalisation, the transfer of unimaginable sums in just a few seconds around the globe would no be possible without this technology, nor the organization of the integrated production at the transportation level etc.

The incredible advance which the trade has known, another defining element of economic globalisation, is due to the rapid reduction of the transport expenses, the merchandise being transported much faster.

This can be noticed especially when talking about the services domain: for example the software type products or the data bases can be transmitted in a few seconds to the other corner of the world.[6]

The end of the Cold War was many times indicated as being one of the causes of globalisation. If within the conflict between east and west, the world was divided between two sides which had very few relationships; this delimitation – the Iron Curtain – fell in 1989 / 1990.

The states that belonged to the eastern block, opened towards the world market.

It is very clear that the process of globalisation has a positive impact, as well as a negative one.

The positive part of this process is that it will increase the interaction between the countries, which at its turn will open new possibilities for the development of the human civilization, especially within the economic sphere.

The intensification of the commercial, investments and technological trading between different regions, the facilitation of the inter-human contacts, and the familiarization with the cultures of different peoples are, certainly, beneficial for the human kind. Along with this, the globalisation faces new challenges.

Many dangers have a regional character or even planetary, the ecologic and technological calamities, the cross-nations crime rate, the international terrorism etc. The uncontrolled expansion of some cultural models of a doubtful quality brings a prejudice to the national and cultural traditions of the peoples, threatening their originality.

The intensification of the globalization process presents some dangers to the national economies. At the same time, because of the uneven distribution of the globalization's advantages, the negative aspects of this process will negatively scatter on the developing countries, so that these could remain far from progress or even outside the progress. The interdependence growth in the international relationships generated by globalisation brings new aspects of the notion of national and international security.

The number of external factors which influence the stable function of the society is increasing. The status of the international security influences more and more the possibility of guaranteeing the national security.

That is why, the maintaining of the stability at a global level, the granting of assistance in the creation of such international mechanisms which would ensure the sustainable and balanced development, will become a priority and one of the main problems for the regional communities. There are opinions according to which the phenomenon of globalisation is not a new and unknown one, prior to humanity.[7]

The bases of the global economic system have been set along with the geographical discoveries, the development of transportation and communication, the entire world economy. Something similar to what we call today globalisation took place before the First World War, when the world was divided between the great powers, becoming more homogenous and easier to rule.

The first and the second world wars, the revolutions that followed, as well as the process of decolonization have delayed a little the process of globalization of the world economy. Nowadays this problem is a priority of the politicians and analysts.

First of all, the globalization is a geo-economic process and then a geo-political one and a geo-cultural one. This process is not only closeness, an integration of the economies of many countries.

The quality features of these economies are changing; these economies are becoming some enclosed systems into the elements of a world system. The notion of national economy is changing as well.

The basic economic institution becomes the cross-nations corporation, which places its factories and is trading its

products where it is more convenient without taking into account the existence of borders. Because of this, the process of international division of the work is studied thoroughly, and within one state, even developed, there is a double economy, there are flourishing enclaves, donating regions, and creditable regions.

Entire regions are transformed into raw material suppliers and markets for the cross-nations corporations, without developing their own productions. The process of research of the work division triggers severe social and political problems.

During the talks about globalisation the concept of losers appears more and more often – these are some social strata or even entire nations which have found themselves outside the economic development, without a chance to get out of the global circuit by themselves.

Where does the conflict come from? First of all, from the contrast of the economic and social reasons with the ecologic exigencies. Often, there is a confrontation between a territorial minority and a dominating centre from an economic point of view (industry versus agriculture), as well as a values point of view (modernization tendencies vs. conservatory, agriculture) or ecologic (the protection of the environment vs. globalization).

A series of cleavages have become visible starting with the 60s-70s especially within the industrialized world. One of the results was the appearance of the Greens. The most consistent have been the critics towards the economic growth at any price (the savage capitalism), accompanied by the wish to reevaluate the local specific.

We can add as well a series of ideological factors with a symbolic value, like the need for administrative autonomy from the peripheral areas or conflicts like "David and Goliath" between the small ecologic organizations and the great corporations.[8]

The conflict is vital for the ecologic movement. It means a radical change of the process of elaboration of the policies, especially because of the distrust of the communities into the public institutions and in the technical control structures.

The ecologic movement and the politicians must take into account the local social, cultural and economic exigencies, otherwise risking the loss of the consensus of the population. Thus, the unilateral decisions from the authorities' part are regarded with distrust and can be considered illegitimate.

The European Commission recommends, within a period of time, extended to 2050, a type of integrated policy of the environment protection.

The final report of the temporary commission for climate changes offers recommendations for the future integrated policy of the environment protection, emphasising the important objective of maintaining the rise of the global medium temperature with 2 degrees C. Also, the reduction of the gas emissions with the greenhouse effects with 25-40% until 2020, respectively 80% until 2050 in comparison with the level from 1990, is solicited.

It is also emphasised the importance of setting, by the European Union and the other industrialised states as a group, a medium term objective of reduction of the gas emissions

with greenhouse effects with 25-40% until 2020, as well as a long term objective of reduction of the emissions with at least 80% until 2050 in comparison with 1990, continuing to take into consideration the purpose of limiting the growth of the average global temperature to 2 degrees C over the pre-industrial levels, thus, a probability of 50% to accomplish this objective.

The visionary desire to change, according to the commission's report, is revealed from the confrontation between these energetic and climatic policies in these turning point moments, reflected in the more and more acute lack of raw materials.

Because of this very reason "one should not give up in front of the complexity of the problem of climate changes and of the importance of the manifestation of the visionary desire to change something." A series of measures are presented in detail, which should be taken in the following fields: energy, bio-fuels, energy efficiency, mobility, logistics, tourism, the capture and the storage of the carbon, the protection of the soil, of the forests, the water management, fishing, the promotion of the future technologies, education:

- the creation of partnerships for the production of solar energy together with other states in the Mediterranean space (as a component of an external community energetic policy), which aims at the initial stage, the production of solar energy and its transfer to the European Union through cable of high tension, and which, in a second stage, could represent the foundation for the production of electricity and hydrogen and thus for the passing to an economy based on renewable energies;
- the long term objective within the sector of the buildings in Europe should be obtaining neutral energetic performances for the residential buildings until 2015 and the new commercial and public buildings until 2020 and this objective should be extended on a long term in order to include the renovated buildings;
- rethinking by the Commission of the concept of a quota for the bio-fuels and the development of a flexible policy which take into consideration the complex character of the production of bio-fuels, including the life cycle of the gas emissions with greenhouse effects and the appreciation of all the relevant indirect effects;
- the creation of a climatic foundation and/or of some proper foundations in the member states and the possibility of creating a capital inventories for financing the future policy referring to the climate, taking into account the conditioned character of each current planning regarding the individual measures of the respective policy and the investments and the solidarity which it requires;
- the development, the finance and the introduction of a network of electric energy with liquid hydrogen (known as the "super grid") at the level of the whole EU, which should be accessible to all the electricity suppliers;
- to develop new communication strategies in order to educate the people and to provide the stimulants to reduce the emissions in a safe manner, for instance the presentation of information regarding the emissions of carbon dioxide generated by the products and the services;

- the communication strategies which offer people stimulants regarding the reduction of the gas emissions with the greenhouse effects, like, for example, offering information referring to the relevance of the CO<sub>2</sub> of the products and services.

A very important aspect of the environmental conflict refers to the setting issues, where there is a strong opposition from the local people.

This phenomenon carries the name of Nimby syndrome (Not in my back yard). In general, the conflict is between the general interests vs. the particular interest (local). Many times the utility of a building is not taken into account, but the placement in a certain location. A relevant case is the process of decision of the best location for a waste incinerator in the region of Torino, Italy.

Even if nobody contested the idea itself, no community agreed to have a supposed source of pollution or discomfort in their back yard. Finally, the authorities decided to launch a public debate under the title *Non Rifiutate di Scegliere*.

The locals were offered the possibility to identify the most viable places based on an analysis, taking into account several criteria. Instead of the question "Why here?" the question "Why not here?" was used. Finally, they chose the best localities from the surrounding localities of the city of Torino, but along the process of consultations, the City Hall of Torino changed its positions radically and decided to host the incinerator on its territory, marking this way the passing from the Nimby type of attitude to a Pimby type of attitude (Please in my back yard).

Unfortunately, the opposition of the local community affects projects for the benefit of the environment, like the placement of different wind parks in the vicinity of some inhabited areas because of a supposed (and in general unjustified) sound discomfort and even a visual one.

The perception factor must not be overlooked because to regular people, who do not have technical knowledge, it represents the main string for their opinions concerning the problem.[9]

The setting does not represent a technical problem, but a problem of choice itself. More precise, it is not only an attribute of the politics, but also one of the societies. It is related to the disfavoured areas, the peripheral ones, dominated by social and territorial problems.

Their pretensions did not consist of the calculation of the damages that a certain project provoked, but the environmental and social compensation. In the end, how could the huge or the unknown (risks) or the ethical limitations (the value of the human life) factors be financially quantified?

The alternative is named the Sustainability approach and it stipulates a direct ecological compensation, either through some interventions in order to reduce other sources of pollution, or through the satisfaction of other social and environmental problems, like the quality of the place reflected in its value.

This trade is based on the following type of discourse: "If we allow you to build the plastic product factory in our neighbourhood, what do you offer in exchange? – Work

places, modern infrastructure, organized green spaces!” We have to remember the fact that this way of solving the conflict is based on the implication of all the parties involved in the project!

## II.1 THE IMPERATIVENESS OF A NEW PUBLIC MANAGEMENT

Why a new perspective on the public management? Because the traditional model is excessively oriented towards the market solutions. It is formed of a clear distinction between the entity which orders the projects (the politics), the one which executes them (the technology) and the one which benefits from these services.

In return, the democratic techniques are focusing on the interactive and involving continuous process, which take into account the political dimension (social, cultural) of the technical decisions and vice-versa. Moreover, the integration of a feedback from the part of those who implement the project is pursued, as well as from the part of those who benefit from it.

The final decision belongs most of the times to the authorities. The problem is that the policies which follow the algorithm Decide – Announce – Defend (DAD), are facing a legitimacy crisis which can lead to a deepening of the conflict or to a lower efficiency of the policy.

That is why a fair involving process is necessary to include the business sector, the local community and the authorities. If we had to use a scale of the people’s involvement into the decisional process, we would have at opposing poles the informational stage (with the promise “We’ll inform you about our decisions”) and the empowerment one (with the promise “We’ll put in practice your decisions”).[10]

The first model, which supposes a very low degree of implication, is nothing else but an “imposing”.

The intermediate model of “manipulation” follows, according to which the people’s opinions are deliberately shaped through manipulation, to the prejudice of their own interests.

There also is a third model, the “consensus” one. This one manages to ensure the involvement of many individuals either through negotiation between parties, or through the deliberative process of the dialogue.

## III. THE SETTING UP OF A DELIBERATIVE DEMOCRACY IN THE ENVIRONMENT POLICIES – AN ALTERNATIVE FOR THE SOLUTION OF THE CONFLICTS IN THE ENVIRONMENT

The idea of sustainability represents a leap beyond the simple environmental perspective. It is focused on the interaction between people and the environment, but it includes more dimensions, like the participative governing.

A comprehensive, systematic approach is wanted, where the involvement is essential.

A very good example is recycling! The efficiency of the system depends on the contribution of the inhabitants. This is

valid for other situations, like: the use of the water resources, the ecological products, the traffic or the fair trade.

Through the active implication of the citizens, the even partial renouncement at the own interest for the common good is wanted. In all these cases the fact that the market stimulants and the state regulations are not sufficient, is obvious.

The dialogue construction of “the common good” reveals a force of the argument in contrast with the simple negotiation from the perspective of the own interest. On the other hand, the deliberative democracy recognizes the fact that nobody has the monopoly over the definition of “common good”, not even the scientists or the politicians.[11]

“To deliberate” does not mean “to decide”. It is a dialogue process between free and equal individuals. This is translated by legitimacy.

Three principles are at the base of the idea of deliberative democracy. Firstly, the discussion principle: “the non-coercive force of the better argument” (Habermas). Secondly, the inclusion principle: all the pertinent points of view must be taken into account.

Thirdly, the advertising principle: the discussion must be made public at a certain point, for the public opinion.

So, the deliberative democracy addresses to free and equal individuals, capable to judge according to the interests and the values.

The purpose is to transform the individual preferences through the rational discussion, so that it should grant a wide consideration to the interests of others.

We can depict at least three virtues of the deliberative democracy: civic virtues (more active citizens, more informed, responsible, capable to have mature opinions which take into account the “common good”), governing virtues (legitimate decisions, stable and efficient) and cognitive virtues (more efficient and effective decisions, often innovative, because it incorporates various knowledge and positions).

The 70s, in accordance with the innovations within the jurisprudence and of the human rights, bring a change of perspective on the rhetoric: the heterogeneous groups are proven capable to offer better solutions than the homogenous. Both ways consider the diversity as a resource for the consensual and legitimate decisions.

Thus, an extended rationality is developed, which refuses to acknowledge the supremacy of the principle *de gustibus non est disputandum*. Argumentations, not simple preferences!

The structured process, which can take many shapes according to the object of the debate and its purpose, has the power to offer the participants an optimum frame to support one’s point of view. The discussion itself reveals a series of information, while the mutual respect brings the acceptance of the other people’s opinions.[12]

According to the chosen means, each participant is encouraged to communicate under the form of a rational analysis, but also of a narration, analogies and experiences. Being about simple people, without particular interest in the debated subject, and, thus, without preformed preferences, the focus is on the inclusion.

The stake is not that the group should prevail over the other. Due to the impartiality of the process, the final decision includes all the points of view.

The process can be considered efficient if it is initiated in an early stage and if the public institutions take into consideration the exits.

Regarding the techniques of structuring the deliberative processes, there are different versions according to the number of participants, the selection method (case / representative sample, active / voluntary citizens), the duration (ad-hoc or permanent) etc.

In general, the number of participants is limited (from a dozen to several hundreds), and the duration of the process varies between 1-5 days. In all the cases assistance is necessary from the part of some neutral professional figures.

In the majority of the cases, the participants define the problems for the debate.

Creative ideas are searched (brainstorming), spontaneity is valued. The participants benefit of technical assistance from some specialists and experts, so that they should form an informed opinion and in the end to make a proper decision. Frequently, the exit takes the form of recommendation, plan or vision.

The finality consists of a more informed public opinion for which the authorities make a certain choice related to policy.

There is a vast empirical base, which consists of experiences on all the continents, either if it is about the citizen juries (USA, Great Britain, Germany, Spain, India), deliberative polling (Australia, Denmark), participatory balance (Brazil), consensus conference (Denmark, USA), or 21<sup>st</sup> Agenda (local). We have enumerated only some methods of structuring the deliberative processes. It is relevant the fact that these have a vast applicability. For example, the consensus conference has as objective an agreement on the technical and scientific problems between the specialists and, secondly, the promotion of the decision among the population. The participants balance, on the other hand, is focused on the direct implication of the citizens in the distribution of the local public funds for the priorities identified by the people.

The environment problems generated by the anthropic activity emphasise the fact that the accomplishment of the well-fare of the society does not reduce to a simple accumulation of goods and services. The measure of well-fare must be reformulated, passing from the evaluation scale based on the capacity of individual accumulation of goods (enriching) to the one founded on the collective use of common goods. Thus, the idea of substitution of the economic interest with the notion of preservation interest of the future generations' heritage is promoted.

The economic policy, instead of subjecting the biosphere of enforced constraints by the logic of the immediate profit and of the material things, must try to organise the management in concordance with the laws of nature in order to ensure the maintenance of the life conditions.

Thus, between the ecologic policies and the economic ones there is a part – whole proportion, which ensures the ecologic security of the economic decisions.

Table no.1 – Alternative scenarios regarding the evolution of the environment impact between 1990 and 2010

Objective	AMP	PC	PI
Climate changes		•	=
General quality of the air:			
Acid deposits	*•	****	***** ***
Photo-chemical		**	*****
Urban environment:			
Air pollution	*	**	***** *****
Others			
Toxic substances	**	**	**
Bio-diversity		•	*
Water quality		**	*****
Water resources		•	•
Waste			
Dangerous		=	*****
Regular		•	*****
The oil pollution of the seaside		*	**

The source: Potential benefits of Integration of Environmental and Economic Policies, European Communities Environmental Policies Series, 2007

Note: AMP – the absence of the protection measures, PC – curative policies; PI – integrated economic and ecologic policies; \* - an improvement of 10% (the reduction of the pressure on the environment with 10%); - an involution with 10% (the increase of the pressure on the environment with 10%); = no change

A comparative analysis, performed in six states of the European Union, emphasises the ecologic advantages (table no. 1) and economic (table no. 2) of the economic and ecologic policies integration, related to the absence of the protection measures of the environment and with the curative policies, with a restrictive action limited to emissions.

Table no.2 – alternative scenarios regarding the evolution of the macroeconomic results between 1992 and 2010 (%)

	PC	PI	PI+
GP at the cost of the factors	-0,03	+0,05	+0,06
The price of the manufacturers	+0,09	0,20	+0,16
The prices at the sales	+0,05	0,18	+0,14
Individual	+0,07	+0,16	+0,14

economies			
The work force employment	0,00	+0,07	+0,15

The source: Potential benefits of Integration of Environmental and Economic Policies, European Communities Environmental Policies Series, 1994

Note: PC – „curative”; PI – integrated ecologic and economic policies; PI + integrated ecologic and economic policies where the level of taxation and fees is higher.

At an economic level, the intensification of control through instruments like very restrictive taxes and fees, although it is favourable regarding the work force employment is situated under the predicted performances in the case of the moderate measure application.

When the environment problems appear, because of the general character of these problems, the responsibility belongs to the public power. Moreover, the environment problems are a part of the quickly aggravating problems category and need a longer period of time to be solved.

This means that the administration is the one responsible to anticipate the best the environment using the careful planning of the ecologic policy, before these problems take proportions and be acknowledged as serious public problems. Through the planning and preparation, the government can hold the control and thus the policy will not be dictated by disaster or by the critical involvement of the mass-media (reactive attitude).

Within this context, any country is forced to preserve its history, its traditions and everything connected to the national state through the national programs for the preservation of the national identity of its inhabitants, identity without which it cannot be localised and identified even within a global world. This preservation must be accomplished regardless of the existence of the physical borders and above the economic globalisation.

Some economists consider the social economical imperative as and impulse for a permanent increasing as a matter of a social survival. Both of them consider these issues very important but not sufficient, the former referring to the protection and restoration of the eco-systems and the latter referring to the social progress and insertion of the economical stability.

The evolution of the economical social life can be interpreted into physical or quantitative terms or only in terms belonging to linear determine relationship.

Here are some notes on this kind of relationship and conclusions:

- a) the economical growth expressed by evolution of PNB is not a final aim, only a mean, a tool because the final objective of social production and of the whole social economical activity being the growth of living level.
- b) economical growth expresses by synthetically parameters as PNP is an important source of increasing individual welfare, beside the expenses growth for the protection of the environment.

According to some evaluating the total public private expenses calculated for the environment protection as a part of national product for some countries with developed economy raised to 25%, even more.

In USA, these expenses have been a 2% of PNP (\$ 1.05 billion) and in London the decreasing of the smog is of £ 0.15 yearly for each citizen.

All these expenses as a part of national income contribute in a large measure to overflow this parameter with a certain percent that can't be found in products or services for unproductive consume, so that they diminish the life level of the people.

The economical growth offers great possibilities of development of the life level of people in the small countries. On this context, the matter should have belonged to the efficiency concept.

It's about a balance between nature and man, between environment and economical growth, between technology and ecology. The right solution is to accept the growth which offers advantages for man and society until the difference between the economical growth advantage and the cost of pollution reducing, including the environment protection too becomes null, until the expenses for the environment protection don't bring any additional of goods in order to increase the quality of life.

As a conclusion, the problem is not to increase the environment protection and economical growth. Null difference between advantages and costs goes to a predictable future only when the industrial technologies should be the same or develop slower then the damaging rhythm of the environment.

c) the request of stopping the economical growth on planetary or regional level can't have any consistency as long as on the large areas of the Earth there is a discrepancy between economical, technological, scientifically development and intensity of the functional connection of ecological request and economical growth.

d) the man issue is not to prevent economical increasing, especially in the new developed countries but to search and apply efficient economical and political tools in order to accomplish the requests of the economical growth to those of the environment protection by management and rational allocation of resources and improving environment conditions through those who use resources and pollute environment factors and harming man's health should impose economical restrictions by high prices, progressive taxes and others.

Correlated to this issue, the economist has some obligations: first of all, he must give explications regarding genesis of the opposition between maximum macro-economical development levels and perverting state of natural resources where the problem of the environment has an important place.

Secondly, economist should calculate damages caused by pollution and high rates of products use, so this way he should establish prices and taxes system very efficient together with prohibition measures, an adequate institutional and control system.

#### IV SOLUTIONS PROPOSED



- *Environmental regulations.* Under this plan the economic impact has to be estimated by the regulator. Usually this is done using cost-benefit analysis. There is a growing realization that regulations (also known as "command and control" instruments) are not so distinct from economic instruments as is commonly asserted by proponents of environmental economics. E.g.1 regulations are enforced by fines, which operate as a form of tax if pollution rises above the threshold prescribed. E.g.2 pollution must be monitored and laws enforced, whether under a pollution tax regime or a regulatory regime. The main difference an environmental economist would argue exists between the two methods, however, is the total cost of the regulation. "Command and control" regulation often applies uniform emissions limits on polluters, even though each firm has different costs for emissions reductions. Some firms, in this system, can abate inexpensively, while others can only abate at high cost. Because of this, the total abatement has some expensive and some inexpensive efforts to abate. Environmental economic regulations find the cheapest emission abatement efforts first, then the more expensive methods second. E.g. as said earlier, trading, in the quota system, means a firm only abates if doing so would cost less than paying someone else to make the same reduction. This leads to a lower cost for the total abatement effort as a whole.

- *Quotas on pollution.* Often it is advocated that pollution reductions should be achieved by way of tradeable emissions permits, which if freely traded may ensure that reductions in pollution are achieved at least cost. In theory, if such tradeable quotas are allowed, then a firm would reduce its own pollution load only if doing so would cost less than paying someone else to make the same reduction. In practice, tradeable permits approaches have had some success, such as the U.S.'s sulphur dioxide trading program, though interest in its application is spreading to other environmental problems.

- *Taxes and tariffs on pollution/Removal of "dirty subsidies".* Increasing the costs of polluting will discourage polluting, and will provide a "dynamic incentive", that is, the disincentive continues to operate even as pollution levels fall. A pollution tax that reduces pollution to the socially "optimal" level would be set at such a level that pollution occurs only if the benefits to society (for example, in form of greater production) exceeds the costs. Some advocate a major shift from taxation from income and sales taxes to tax on pollution - the so-called "green tax shift".

- *Better defined property rights.* The Coase Theorem states that assigning property rights will lead to an optimal solution, regardless of who receives them, if transaction costs are trivial and the number of parties negotiating is limited. For example, if people living near a factory had a right to clean air and water, or the factory had the right to pollute, then either the factory could pay those affected by the pollution or the people could pay the factory not to pollute. Or, citizens could take action themselves as they would if other property rights were violated. The US River Keepers Law of the 1880s was an early example, giving citizens downstream the right to end pollution upstream themselves if government itself did not act (an early example of bioregional democracy). Many markets for

"pollution rights" have been created in the late twentieth century -- see emissions trading. The assertion that defining property rights is a solution is controversial within the field of environmental economics and environmental law and policy more broadly; in Anglo-American and many other legal systems, one has the right to carry out any action unless the law expressly proscribes it. Thus property rights are already assigned (the factory that is polluting has a right to pollute).

## V CONCLUSION

The problem which arises is the type of society which we live in, the one that Ulrich Beck named "a society of risks". Our actions always have unforeseen consequences. The science and the technique can offer solutions, but also give new risks. There is a vices circle from which modernity cannot escape.

The idea of civic participation at a large scale remains an ideal, if it is not a utopia. Also, democracy itself would enter the crisis if there were not large sectors of society which could manifest apathy and inaction. The conditions are more difficult in the transition countries, which have not managed to separate from the privations yet. Inglehart thought that the post-materialism attracted a transformation of preferences and of individuals' requests. Once the basic needs are satisfied, the man feels the need of acknowledgement from the state and as an individual within a community and becomes preoccupied by superior values like the environment or art.

I believe that our mission, due to our quality as activists in the ecology field, is to mobilize a very large sector of the society. In a world more and more global, the idea of community loses its values, and this easier in the countries with a communist past. Nevertheless, the concept of "think globally, act locally!" remains valid. The deliberative democracy is based on this principle. It is not only about the process of information or of education; it is about the responsibility, about empowerment. It is a purpose and a means at the same time. We make the path by walking.

The European Committee has adopted its program for 2009. Within this program, the Committee emphasizes the realisation of the key policies of the globalisation agenda: the definition of the main strategic priorities which the Committee undertakes to adopt in 2009 and the establishment of the other fields which the Committee focuses on next year. But the globalisation does not manifest itself only in the space of the European Union, in other words the priority for the year 2009 should be at a world level, better said the solution of the most urgent problems with global manifestation: the development and the work places, the climate changes, the energy, the migrations, the environment etc[15].

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