

# Environment?

Rates, but at a high environmental cost. Such development may not be sustainable in the long term, because environmental resources that are degraded today may not be available in the future, to support the same high level of output. Modifying the SNA to correctly reflect the environmental impact of development activities is termed 'Green Accounting'.



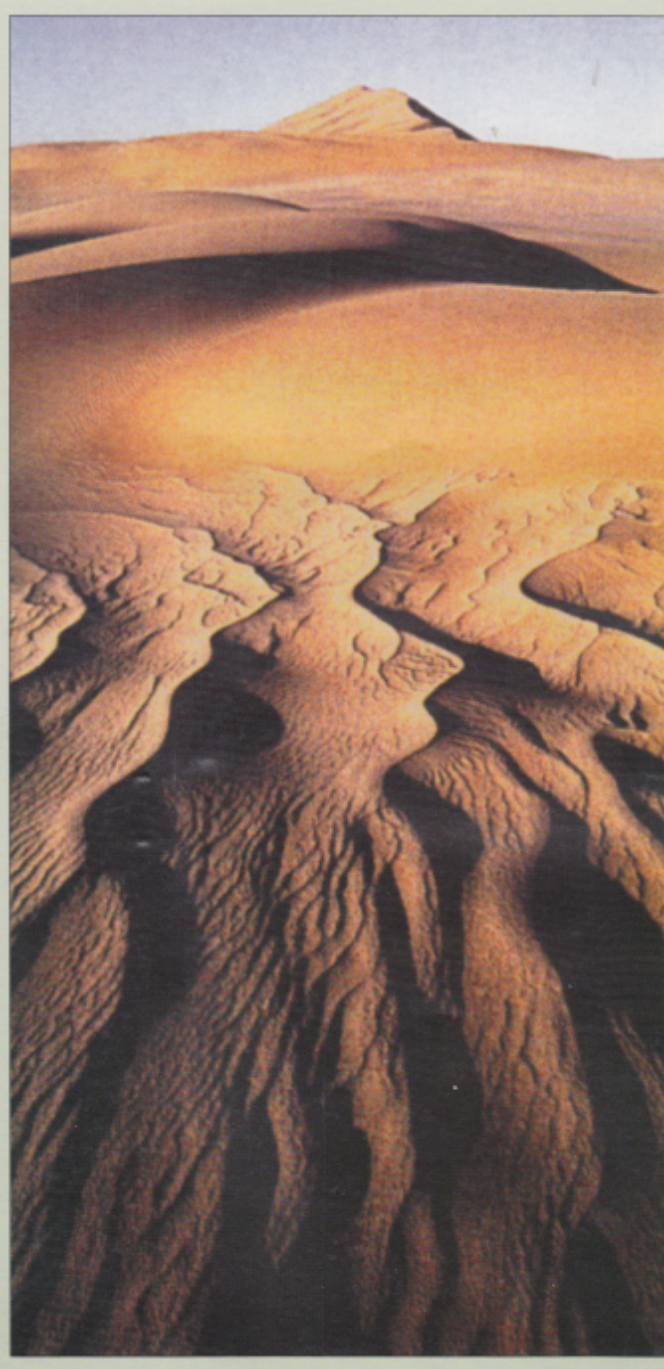
Explaining the problems faced in the application of Green Accounting Prof. Munasinghe says, "There are two problems actually. One is a technical problem because Green Accounting is a fairly new field and even conventional national accounts like the Gross National Product (GNP) are often misunderstood and misinterpreted. Governments have fallen due to misinformation based on the GNP. Now when you talk of Green Accounting, you're talking of a refinement of the GNP. So, already there are great technical problems of how to measure the

damage you're doing to the environment." He goes on to say, that the second problem concerns information, "very often there is not even agreement on (in the case of the forests) the extent of deforestation.

Some say we have only 20% forest cover while others say we have 30%. So you have measurement problems as well. Therefore, the two problems of a technical nature firstly of valuing and secondly of measuring the extent of deforestation data problems, mean that it's not going to be possible to do this overnight. We have to train people over a long term, develop data and techniques and then gradually introduce this over a period of years".

Wolfgang Peter Zingel says that ecological problems are universal only in principle. Some of them are transnational or even global, others are rather national or local and may differ from country to country. Carbon Dioxide for instance, is emitted mainly by road vehicles, power plants and factories, and is of course a problem faced by big cities in the industrialized countries, but it has also become a problem in Sri Lanka.

He goes on to say that New Delhi at times is an unlivable place with pollution much worse than in any Western city. Global warming is said to be an outcome of pollution with dangerous consequences for low lying countries like the Maldives and Bangladesh. Overfishing has turned into another problem in the Indian Ocean as it has in other major waters. Deforestation especially of primary forests of tropical hard wood, is not so much of a problem in Sri Lanka but it certainly is in Indonesia and Malaysia; deforestation of the Himalayan forests and floods in India and Bangladesh are the major ecological problems of these countries. Soil degradation is yet another problem in most of the countries of the tropics and sub-tropics, "not all of these problems will be of immediate consequence to Sri Lanka, but looking to other countries, especially to those in the neighborhood is helpful to see as to where developments might lead to. Beyond being a founder member of SAARC and SAPTA, Sri Lanka shares a number of economic, social, political, historical and cultural features with the other South Asian countries, although we all know that Sri Lanka



## **Why?**

has deforestation occurred and then adopt policies that will either stop that or even reverse the adverse trend. So, in a way, Green Accountings considered to be slightly better off than the others and that it stands out when it comes to social achievements, especially regarding education and health”, says Zingel. Commenting on how successful Green Accounting has been in its application Prof.

Munasinghe says, “Green Accounting has not been applied completely so far. In certain industrialized countries where they have better access to data, trained people and resources, what they have done is to make corrections to their

national accounts in certain areas, but there is no country that has done a complete Green Accounting simply because it's too difficult at the present time".

He goes on to say that Green Accounting in its complete and purest form may be a little beyond what can be applied in Sri Lanka, "what we can do is to look at certain critical areas of resource damage such as pollution in urban areas, soil degradation with our food production even tea and rubber, and thirdly, the areas of deforestation. I think in selected areas we can look at the stocks of natural resources and then see over the last so many years, what we have done to lead to a decline in these stocks. More importantly, we should see why that has happened. is merely a tool like a thermometer which checks the fever. It cannot cure the disease."

That the environment we live in should be cleaner than it is and must be protected is a foregone conclusion. Therefore, those who work towards this objective deserve all support. However, there are those environmentalists and groups whose beliefs tend to border on fanaticism at times, thus impeding needed. Much develop.

meant programmed. In this context, there are many who believe that the environment has become an obstacle to development, "the organization that I represent, LIFE, is a coalition of business leaders, Chairmen of Chambers of Commerce, NGO representatives, government officials and others who are exactly of that view. That environment and development should be balanced and blended in a way that will lead to sustainable type of growth. So environment should not be used as an impediment to growth. Especially in a poor country like Sri Lanka, growth, increasing income, and welfare take priority but while we're growing, we should make sure that we don't mortgage the future. We have to find a sustainable growth path where you have growth but



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you also look after the environment. It is possible. Many countries have indeed found ways of doing this and we should learn from the experiences of these countries”, explains Prof. Munasinghe. How does one put a price on the environment? Well, Green Accounting may eventually have the answer to that question as well as being the ultimate key to informing us if we are balancing the scales of development and environment.

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