

The Political Economy of Natural Capital Accounting Between Policy, Finance, and Economics Imperialism

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Natural capital is one of several approaches developed in environmental economics in response to escalating environmental crises in the late 1980s and early 1990s. It views nature as an economic asset that provides flows to the economy and society in the form of ecosystem services. Recent decades have seen an increasing drive to create natural capital accounts to be used alongside GDP statistics, in conservation projects, and in the context of “greening” finance.

Proponents of natural capital argue that accounting for the environment in this way will help create better environmental outcomes by including the state of nature in decision-making, hence overcoming the “externality problem” of environmental degradation. Critics, on the other hand, see in it at best a lost effort of adding apples to oranges and at worst a slippery slope to the complete neoliberalization of nature. Yet there is a limited understanding of why natural capital emerged when it did, how it did, and how it has shapeshifted the disciplinary boundaries between economics and other social sciences.

My doctoral research sits firmly within these debates. I study how natural capital relates to economics imperialism, the tendency of economics to take over new and different subject areas. Deploying economics imperialism to trace the history of natural capital is useful to connect the dots between economics’ inadequate treatment of the systemic in an environmental context and its treatment of the systemic in other (un)related fields of inquiry, such as the social for social capital, or education and learning for human capital.

Specifically, my thesis addresses the following research questions and more:

- 1. How does economics imperialism relate to natural capital?*
- 2. How and where has neoclassical thought prevailed through the concept of natural capital, especially outside of the domain of mainstream economics?*
- 3. How has economics imperialism influenced discourses in the non-academic sphere through natural capital?*

I address these interrelated questions through a systematic literature review of more than 2000 academic publications on natural capital, as well as through the analysis of World Bank policy documents and through semi-structured interviews with experts working with natural capital in international development institutions and the private sector. My findings suggest that due to its reliance on economics imperialism and poor representation of the systemic, natural capital and solutions derived from natural capital are liable to be inadequate in strength and direction in addressing the ongoing and escalating multiple environmental crises under capitalism. During my time at the Rachel Carson Center I will focus on writing up my dissertation.

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