NATURE, LIFE & RELATIONS – ‘OPTIMISED’
A POLICY BRIEF ON THE DASGUPTA REVIEW

FREDERIC HACHE AND CLIVE L. SPASH

Authors: Frederic Hache, Clive L. Spash
Acknowledgements: we are incredibly grateful to Stephen Corry, Adrienne Buller and to the Third World Network for their precious assistance, whether in providing feedback, editing or formatting.

Cover photo: Old rustic boats and ships in a desert around Moynaq, Muynak or Moynoq - Aral sea or Aral lake - Uzbekistan, Central Asia - Shutterstock

Copyright: Green Finance Observatory 2021, www.greenfinanceobservatory.org

The contents of this paper may be freely used or reproduced without permission provided the original meaning and context are not altered in any way. Where third party copyright has been acknowledged, permission must be sought from the third party directly. For enquiries relating to this report, please email contact@gfobs.org
EXECUTIVE SUMMARY

The Dasgupta Review is the latest attempt at financialising Nature based on neo-classical and neoliberal framings (Dasgupta 2021). It is, however, politically very important, as it is set to define UK policy for the decades to come and is perceived to be to biodiversity what the Stern Review was to climate change (Stern, et al. 2006): the promotion of a specific economic and financial approach to environmental policy. The review is also important since, while being ostensibly about biodiversity, it is in fact a broad reaching orthodox economist's vision of how the entire world should operate.

Most of it is not new, recycling instead old discredited ideas and methodologies, such as reconceptualising Nature as natural capital and ecosystem services, and claiming to value it via stated and revealed preference methods. Human life is reconceptualised as human capital and valued as the net present values of an individual’s expected salaries. The limitations and issues of these approaches are acknowledged but then mostly ignored.

The overarching goal of policymaking according to the Review is deemed to be maximising ‘inclusive wealth’, defined as the sum of produced capital, human capital and natural capital, and considered to be equivalent to intergenerational well-being. While the Review acknowledges that infinite growth is impossible, it claims that economic growth is compatible with sustainable development, provided that the stock of natural capital is large enough. In fact, the overarching goal of optimising inclusive wealth can be understood as maximising economic growth under a new set of natural capital constraints, thus sticking to the old economic growth paradigm. In this respect, The Review can be understood as enabling the continuation of the status quo of the capital accumulating economy with minor adjustments, rather than challenging it.

Biodiversity conservation is compared to asset management, and biodiversity loss is presented as a problem of asset allocation. Policy making is then reconceptualised into solving a set of equations to optimise asset allocation. Critical biodiversity loss is framed as an issue of asset misallocation to avoid questioning economic growth, which remains unchallenged and depoliticised, despite having little to do with satisfying the needs of the majority. This policy brief will show why this analogy is both inappropriate and dangerous. Applying the concepts and language of finance to biodiversity conservation would indeed lead to a faulty appreciation of the issue to be addressed and limit the range of potential alternatives.

Last, given all the issues identified and their major political implications, a public debate is warranted not least because The Dasgupta Review has been placed on the public agenda. A more balanced consideration is required before Dasgupta’s view of the world gets to shape the future of British citizens for decades to come, influences the environmental movement and is adopted by other countries and international agencies.
Executive summary

Introduction

1. Dasgupta’s view of the world and theory of value

2. The world as different categories of capital
   2.1 Produced capital
      2.1.1 What is it?
      2.1.2 How is it valued?
      2.1.3 What is problematic with it?
   2.2 Natural capital
      2.2.1 What is it?
      2.2.2 How is it valued?
      2.2.3 What is problematic with it?
   2.3 Human capital
      2.3.1 What is it?
      2.3.2 How is it valued?
      2.3.3 What is problematic with it?

3. Enabling assets
   3.1 Biodiversity as an enabling asset
   3.2 Social capital

4. Is biodiversity conservation similar to asset management?
   4.1 Is biodiversity destruction an issue of asset misallocation?
   4.2 …that would be solved by more financial markets and less government?
   4.3 Isn’t optimisation the type of thinking that created in large part the issue?
   4.4 Asset management deals in risk, whereas ecosystems are about strong uncertainty
   4.5 Asymmetric pay-offs and limited accountability
   4.6 Psychology versus science

Conclusion

Literature Cited
INTRODUCTION

The UK Treasury commissioned a study on the economics of biodiversity subtitled *The Dasgupta Review*, named after its author Sir Partha Dasgupta, which was launched in early February 2021 at an event hosted by the Royal Society and attended by the Prince of Wales, the UK's Prime Minister, Boris Johnson, and conservationist and TV personality Sir David Attenborough.

*The review* aims to improve the conservation of biodiversity by putting a monetary value on Nature and human life, so that they can all be integrated into national accounting systems. While the idea is not new at all, its prominence in *the Review* is significant because *the Review* is expected to set the agenda for UK government policy going forward. As stated by UK environment secretary, George Eustice, realizing the aspirations set out in *The Review* “is what lies at the heart of the government’s 25-year environment plan, our approach to future farming policy, efforts to embed biodiversity net gain in the planning system, and other initiatives.” (HM Treasury 2021).

The UK has in fact already started to publish natural capital accounts, estimating, for example, that in 2018, the asset value of the aspects of UK natural capital the government claimed they were currently able to value was £921 billion (Office for National Statistics 2020a: 2).

In addition to the UK, New Zealand and China are also in the process of setting up national accounts for forests and water. China has even developed a new metric called ‘Gross Ecosystem Product,’ to measure the value of ecosystem services and started to publish estimates of this metric. The EU and the UN have also been developing their own natural capital accounting frameworks for more than a decade, the UN Statistical Commission having just adopted natural capital accounting standards. Given these developments and the powerful institutions and lobbies supporting these types of initiatives, it is not unreasonable to expect that the monetary valuation of Nature will be mainstreamed in a large number of countries over the course of the coming decade.

At the heart of this initiative is the idea that sustainable economic growth requires a different measure than Gross Domestic Product (GDP). However, the objective is not to abandon or replace the concept of economic growth, but instead to continue maximising it under a set of new sustainability constraints. Indeed, *The Dasgupta Review* supports the idea that GDP growth is compatible with sustainable development, provided the stock of natural capital is large (Barbiroglio 2021). In addition, an analogy is being made that biodiversity protection is similar to asset management. Destruction is being blamed on a misallocation of capital, with too much invested in produced and human capital, and not enough in natural capital. Curbing biodiversity destruction is thus reframed as a problem of asset management with people needing to act as “citizen investors”.

*The Review* raises a number of important questions, which we will formulate, explain and address in this policy brief. These include, but are not limited to, the following:

- Since the financialisation of nature is not at all new, does *The Review* address the issues identified in previous frameworks and methodologies?
- Is asset management a valid and relevant comparison for nature protection?
1 DASGUPTA’S VIEW OF THE WORLD AND THEORY OF VALUE

While claiming to be about biodiversity, Dasgupta’s report is in fact a very specific and broad reaching vision for how the world should be constructed and operated, from the role of individuals in society to the functions of government. In this world view there is only one type of economy, and all variety in actual social provision systems and alternatives are conveniently ignored. Thus, ‘the economy’ is an idealised free market capitalism. Unfortunately, markets do not work perfectly, prices do not reflect resource values and so government intervention must be allowed, although dangers of government do repeatedly occur. The whole question then becomes: what form that intervention should take?

The world of the Review is one in which everything is about maximising returns to the economic agent so that society can maximise its own returns. Society here is reduced to nothing more than a collection of individuals whose value is literally summed and combined in a mathematical formula to create a convenient total value. The aim of human existence is to maximise well-being - now defined as a money value, typically measured by national income (GNI) or Gross National Product (GDP) - and here expanded into ‘inclusive wealth’.

So, what about all those market failures? The Review’s idea of what amounts to a central planner to correct for market failures is the decision-maker as ‘citizen investor’. The world for Dasgupta is just about investment in assets to get the best rate of return. Nature is just something that offers a rate of return, and which bad economists have failed to adequately invest in to get the best returns. This enables the report to use considerable rhetoric about how economists have not done a good job while basically promoting exactly the same approach to economics that has dominated for the last 100 years. That Dasgupta recognises there may be some limits to economic growth, some 50 years after the internationally renowned Club of Rome report on limits to growth (Meadows, et al. 1972), is hardly progress. Instead, the newly recognised limits become side constraints that can simply be dealt with by optimal investment strategies, getting the prices right and creating more wealth (i.e. growth as normal).

Thus, despite having highlighted his acceptance of limits, in the models presented indefinite growth is apparently possible due to technology which can overcome the exhaustibility of resources such as oil, natural gas and coal, and this goes unremarked (Dasgupta 2021: 143).

Even the apparent concern for future generations and their survival is written-off in a traditional economic fashion by using a single discount rate for all investments for all forms of capital (produced, human, natural, social). Despite acknowledging the major ethical objections to discriminating against future generations via discounting, Dasgupta nevertheless chooses a positive discount rate. He justifies this using the debatable assumption that since returns on judiciously chosen investments are positive, not discriminating against future generations would be unfair as it would condemn the current generation to excessive restraint in consumption and excessive poverty (i.e. all future generations are assumed to be richer).

At the same time there is nothing new in any of this. Dasgupta follows in the tradition of neoclassical economics calling upon a basic faith in markets, as if some form of democratic institution, whose failings can be reformed via supposedly minimalist government intervention. The core failure of markets to value things that matter to humans and non-humans is reduced to problems of accountancy, getting the prices right and social cost-benefit analysis.

The bottom line of the Review is that markets will allocate resources efficiently (i.e. at least
cost) and do so optimally (i.e. find a unique best outcome). In a long tradition, common in the climate economics which the report repeatedly cites (e.g. Stern, Nordhaus), **problems are raised then dismissed, issues brushed aside** and concepts undermining the theory simply renamed or redefined to fit the economic approach (Spash 2002a; 2007b; 2007c; Spash and Gattringer 2017).

In summary, this report, while **ostensibly about biodiversity, in fact addresses itself to the management of entire economies and all human action**. Indeed, the object of economic value here is the entire existence of planet Earth and all it contains. This all-inclusive approach is made possible by assuming that the only thing that matters is capital accumulation – wealth - based on good asset management to get the highest (optimal) rate of return to the wise ‘citizen investor’.

### 2 THE WORLD AS DIFFERENT CATEGORIES OF CAPITAL

*The Review* classifies goods into three categories: (i) produced capital (buildings, roads, machines), (ii) human capital (health, education, knowledge and skills, population size) and (iii) natural capital (ecosystems). A new metric called ‘inclusive wealth’ is introduced, that is defined as the sum of these three categories of capital.

Note that biodiversity is not one of these three main types of capital but is rather treated as an enabling asset of natural capital. Indeed, anything that aids production that is outside of these three categories of capital is considered to be an enabling asset, e.g. social capital (institution and practices) and publicly available knowledge. Defining these different types of capital is not new (e.g. Goodwin 2003 proposed five); rather, only the relegation of some categories to the ‘enabling’ class appears novel but also somewhat dubious, especially in the case of separating the role of biodiversity.

*The Review* relies on these forms of capital to construct a simplified model of the world that “provides a complete capital theoretic account of human activities, from source to sink” (Dasgupta 2021: 137) - an ambitious undertaking if ever there was one. Once all human activities are accounted for and valued in monetary terms, mathematical equations are provided that are claimed to help elected officials choose and optimise their policies— with the implication that **solving these equations replaces judgement and the need for making policy choices**. This approach is believed to lead to an optimal allocation of resources between material goods and services, skills acquisition and the protection of Nature.

The overarching objective is to **maximise intergenerational well-being, which is assumed to be** a function of an individuals’ standard of living and deemed **equivalent to inclusive wealth**. As a consequence, maximising inclusive wealth is considered to automatically maximise intergenerational well-being. Intergenerational well-being is defined as a **function of four factors**: consumption, investment in human capital, investment in technological innovation and extraction of natural resources.

---

1 The term was introduced in the Inclusive Wealth Report (UN University, et al. 2012), a biennial effort to evaluate the capacities and performance of the nations that is meant to measure the sustainability of their economies and the wellbeing of their people. An Inclusive Wealth Index was also created to measure the value of a country’s manufactured, natural and human capital.
2.1 **Produced Capital**

2.1.1 **What is it?**

Produced capital is defined as “capital goods embodied in human-made goods or structures, such as roads, buildings, machines, and equipment”. These are physical assets generated by human transformation of natural capital, and used to provide a flow of goods or services. A sewing machine, a factory or a computer for example are goods that have been produced for the purpose of making other economically desirable things. Personal houses are also included in the concept of produced capital, as they provide the economic good/service of shelter. Intangible assets such as patents held by a firm are also regarded to be part of produced capital. While produced capital itself is a stock, whose value is measured in national wealth accounts, an increase in the value of produced capital is recorded as contributing to economic growth.

2.1.2 **How is it valued in monetary terms?**

Different forms of capital cannot be aggregated physically (i.e. hammers and tractors do not add together). So, the stock is meant to be measured in monetary terms, either as: (i) the cost of production or (ii) the returns on future output produced (i.e. future profits) attributed to that capital. The former, (i) involves capital itself in the production of capital and so ends in circularity with the value of capital determining the value of capital ad infinitum. One argument to get around this is to adopt a labour theory of value so all produced capital is reduced to the labour required for its production. Today this classical economic theory is generally rejected outside of Marxist economics.

Dasgupta opts for (ii) claiming that: “Assets acquire their value from the services they provide over their remaining life”. This leads to his asset management approach with different types of assets, or forms of capital, required to have the same rate of return in an optimally managed investment portfolio. More simply this implies that whether investing in produced capital, education or blue whales, the economic agent seeks the same return.

2.1.3 **What is problematic about it?**

A fundamental problem affects both approaches (i) and (ii), called the 'Cambridge Capital Controversy' due to the twenty year or more combat between economists in Cambridge England and the USA (see Cohen and Harcourt 2003). In the case of (i) there is the need to take into account a flow of costs during the period of production which, in economics, requires knowing the rate of interest as a basis for equating values in different time periods. In case (ii) knowing the value of a stream of future output over a period of production means calculating the net present value, and so discounting it at a rate of interest. Knowing the rate of interest is thus required in both cases.

However, the rate of interest is the return on capital investment which requires knowing the quantity of capital. So, the value of capital cannot be determined without knowing the stock of capital that, for multiple forms of capital, becomes a value which cannot be known without the rate of interest which is defined by already knowing the stock of capital. As Sraffa (1962: 478-479) has summarised: “[…] it is not possible to define the quantity of capital and the period of production in a way that makes them independent of the rate of interest. […] One can only wonder what is the good of a quantity of capital or period of production which, since it depends on the rate of interest, cannot be used for its traditional purpose, which is to determine the rate
To resolve this, neoclassical economists opt for naïve empiricism and claim they can collect data and observe the rates of return in actual markets without explanation as to how, or from where, it is produced. Thus, the review claims that: “the yield on investment in produced capital is its marginal product”. Solow, whom Dasgupta (2021: 8) cites as a major influence on his economics, seeks to justify this approach (Cohen and Harcourt 2003: 260). Yet the basic problem remains that the value of capital and, indeed, its definition are left indeterminate. The alternative is to admit that the theory bears no relationship to reality and that capital investment is not about simplistic production functions returning the value of productivity to different factors of production (i.e. traditionally three types: land, labour, capital), but rather institutional arrangements to capture surplus. Indeed, outside of the textbook, the contributions of the separate factors to output cannot be determined let alone a marginal production level attributed to each.

Rather than marginal productivity theory we might instead consider that profit is derived from the social power of those able to appropriate the technological achievements of the society as a whole. They may be capitalists in market dominated economies or functionaries of the State in centrally planned economies. Under capitalism the key to power lies in gaining private property rights over resources and this then lies at the heart of the debate over biodiversity. What is at stake is the legal right and economic authority to capture the surplus created by the production process. This is why classical political economy (as opposed to neoclassical economics) connected individuals’ dependence on the market for their livelihoods with social class as the fundamental unit of analysis (Cohen and Harcourt 2003).

A further problem, largely unrecognised by most economists, arises due to environmental pollution. As has been explained, capital is a monetary value dependent either on its cost of production or value of what it produces. However, those cost and future return values are only valid for economic resource allocation if they take into account all associated costs and benefits in the production process. The all-pervasive character of pollution therefore implies that all prices must be adjusted, but to what and by whom? As we will see, no objective values exist here, and if this is not the case, then economic theory cannot justify prices as valid reflections of social value, let alone tell us what is the stock of produced capital.

Neoclassical economics gives a central role to the utility maximizing consumption decisions of individuals (i.e. choice in the market place) and defines economics as being about the allocation of given scarce resources. “General equilibrium models sustain the general neoclassical principle of explaining all prices, including factor prices, by relative scarcity, in that prices are determined by preferences, endowments and technology, and factor returns are equal to or measured by disaggregated marginal products.” (Cohen and Harcourt 2003: 206) Yet this approach cannot even define the stock of the given scarce resources that is essential to its entire theoretical construct.

The Dasgupta report provides an excellent example of these contradictions, as well as how economists attempt to fudge these issues. Dasgupta like most economists assumes some social evaluation process will be able to price and value everything in money terms. Social cost-benefit analysis will be conducted by expert economists or a ‘citizen investor’ will enter the picture. Yet, Dasgupta repeatedly admits the practical problems of measuring things in monetary terms and the capital stock in particular.
2.2 Natural Capital

2.2.1 What is it?

Natural capital is an anthropocentric and utilitarian view of Nature, where Nature is reframed as a series of goods and services contributing directly or indirectly to human well-being (Hache 2019). All that does not contribute to human well-being is thus ignored and deemed worthless.

Contributions to human well-being are called ecosystem services and classified in three categories:

- **Provisioning services**: plants and animals for nutrition, materials or energy (e.g. vegetable, wood, medicinal herbs);
- **Regulating and maintenance services**: these include such things as habitat and gene pool protection, flood control, pest and disease control;
- **Cultural services**: such intangible things as the enjoyment of Nature and spiritual value of Nature.

2.2.2 How is it valued?

Environmental cost-benefit analysis has come up with a range of methods for imputing values (Hanley and Spash 1993), but all are limited and specific to different issues (Spash 2005). One group of methods called **revealed preference methods**, rely on the existence of markets that can be associated with environmental attributes (e.g. air pollution affecting house prices) and so are severely restricted by markets among many other issues.

The other group of methods called **stated preference methods** uses surveys designed to assess people's willingness to pay for environmental changes. These methods include the contingent valuation method (CVM). As the Review puts it, “CVM is attractive because it appeals to our democratic instinct, that people should be asked for their opinion on matters that may be of concern to them” (Dasgupta 2021: 304). In addition, CVM is promoted as widely applicable to revealing values for everything from aesthetics to biodiversity loss.

Normally environmental economists define a set of four values: direct use, option, existence and bequest value. Dasgupta himself, for no apparent reason, claims a different set of six sources of value that mix-up objects of value with types of values. All his examples are consequentialist and based on creating utility for humans. However, he confuses concepts of existence value with sacred values, moral worth and intrinsic value, but before we get to that consider the problems with the stated preference methods which are relied upon to 'reveal' values.

2.2.3 What is problematic about it?

There are numerous problems with stated preference methods. Welfare theory requires that people should be compensated, not pay, for an environmentally degrading imposition on them. However this is not done because people can ask large sums and economists would rather bound their responses by their limited incomes (i.e. ability to pay) regardless of the distortions (see Knetsch 1990; 1994). Neither is ability to pay a democratic approach to seeking an opinion. Under the CVM responses are often deemed unacceptable, resulting in removing responses as too high or because there are too many refusals to bid, i.e. protests. Attempts
are then made to redesign the surveys to get the responses economists want or manipulate the data to get the desired values (Spash 2008a). Even better are choice experiments where respondent have restricted ability to protest or violate the economists’ model of how they should behave (they can only refuse to answer completely and fall into the non-respondent category).

Then there is the basic fact that people do not fully understand issues like biodiversity, which even experts struggle to define (Spash and Hanley 1995). Economists naively refer to ‘true values’ as if people had stored away values to every entity on the planet in every quantity in which it might be traded-off against any other entity, and that they can immediately produce such values as money numbers when asked.

Dasgupta’s chosen example of supposedly successful estimation of natural capital values is rife with problems. The study he takes as an example is by Managi and Kumar on ‘inclusive wealth’. We are told that due to ‘data limitations,’ natural capital was taken to be minerals and fossil fuels, agricultural land, forests as sources of timber and fisheries. The topic of biodiversity is wholly absent. Instead, we have a list of rather simple market inputs to production and consumption.

The core problem here is that economists do not know and cannot calculate the ‘accounting prices’ at the centre of Dasgupta’s whole approach. Numbers may be produced, as under UK’s already existing ‘experimental’ approach (Office for National Statistics 2020b), but they can never be the perfect resource scarcity values assumed by Dasgupta’s neoclassical economic ‘accounting price’ concept. These are more normally referred to as shadow prices or social costs, and relate to the monetary costs of damages to human and non-human life. Attempts by environmental economists to incorporate them into cost-benefit analysis have been subject to problems, limitations and failures for some 70 years.

Discussions about sacred value, intrinsic worth/value, moral worth and non-instrumental ways of valuing appear to play no role at all in the valuation system based on capital assets and ‘accounting prices.’ In the Review, all values including the sacred and intrinsic are imparted to things by humans and not inherent to entities themselves. Recognising that there have been discussions of extending moral standing, he converts this into an issue of ‘personhood,’ which concludes that ecosystems may have moral standing due to their having interests of their own. However, this is then summarised as being about “asking people to disclose the value they place on Nature [as] the first step towards an understanding of the full value of Nature, including its moral worth” (ibid 311). Once again, his discussion appears to have absolutely no implications for his economic analysis or his value theory. Monetary valuation and asset management can continue regardless of intrinsic value and moral standing.

Similarly, sacred values can be dismissed as of no relevance to the economic calculus, because they merely add more value, in some undescribed way, to the calculations. So, “if biodiversity is worth preserving and promoting for purely anthropocentric reasons, it would be even more deserving of protection and promotion if it had sacred status. Therein lies the advantage of a limited point of view.” (Dasgupta 2021: 49) This implies that the anthropocentric, instrumentalist, preference utilitarian, profit seeking economic point of view is never meant to

---

2 For example, why are humans the centre of his value system? Are they only of value because they are instrumental for something and if so what? The problem is that his system requires a valuing agent that has value independent of his utilitarian system and is not reducible to a value in the system, e.g. human worth is not how much others are willing to pay to keep somebody else alive or their usefulness for others.
conflict with holding scared values. In addition, sacred values are just some add-ons that needs no serious attention in public policy.

**A key word missing from the report is incommensurability.** The basic failure here is that no values are taken seriously into account as having economic implications that cannot be traded-off by reduction to monetary terms that makes all things equivalent. Money is used to create the illusion of a common metric. As we saw for the case of produced capital, the only sense to be made of such a singular concept as capital is to convert it to a common value basis. Summing-up everything is impossible in physical terms. More frogs do not equate to fewer tigers. What then is ‘natural capital’? Without the money metric it is non-existent.

**When different values exist that cannot be summed together on the same basis, issues of incommensurability arise.** The ‘what are you willing to pay for more/less X?’, a question favoured by environmental economists, ignores this. What are you willing to pay for more time with your dying loved ones? This means times spent with your mother, father, brother sister, lover becomes their value. The idea that time with a dying loved one cannot be valued in this way is highly problematic for the economic approach adopted by *The Review*, so it must be relegated to irrelevance by side-lining. The repeated claims to consider (intrinsic, moral, sacred) values beyond the simply economic are shortly followed by resuming a dominant discourse of standard economic values and their central importance. The result is to totally ignore plural values and alternative systems of ethics as having any relevance to the recommendations this makes for running ‘the economy’.

The issue is that **conservation based purely on economic values and returns can lead to considering optimal extinction as economically efficient.** Preserving any species or anything that does not payback a commercial profit at the going rate is inefficient and so all slow growing species should be optimally and efficiently terminated. Blue whales are a bad investment, along with old growth forests and much else in Nature. There is much more money to be made in cutting down the Amazon and Indonesian forest to plant oil palm trees, which is exactly what has been and is happening. Dasgupta’s capitalist approach to Nature does not preserve anything, it simply makes investors money and accumulates financial capital. Quite simply, **much of Nature is a bad investment and should be eradicated because financial returns are higher elsewhere**, and this financial profiteering is an actualised fact and exactly how capitalism has been operating for centuries and why we confront an ecological crisis.

More broadly, while integrating dubious monetary values of nature into national accounting is seen by some as an improvement over the current situation where only GDP is accounted in monetary terms, the contrasting view is that this would be a worsening: **the fact that Nature is currently not valued in monetary terms does not mean at all that it is being ignored.** The state of our ecosystems is being monitored and assessed in physical and scientific terms and already informs our environmental policies. The fact that it is not being recorded as capital or production is irrelevant, as the role of the government is to set up sound and appropriate policies in all areas, and is not limited to maximising GDP growth. Not producing monetary figures for a partial and debatable value of nature is actually a good thing insofar as it makes it easier for governments to make environmental policies informed by science.

We understand **the belief that valuing Nature in monetary terms could be an improvement to rely upon several misconceptions:** Political ambition (or lack thereof) translates across policy tools: the same lack of political ambition to address biodiversity loss that led to a lack of binding policies to curb destruction over the past decades would equally translate into
grossly undervalued prices for Nature. Conversely, high ambition would equally mean higher prices or more stringent environmental laws mandating a reduction in destruction. This is because the same power relations and economic and political interests are at play, regardless of the policy tool. Attempting to artificially value nature is therefore no substitute for lack of political ambition. Anecdotally, the belief that market-based solutions would somehow offer more hope seems to be shared mostly by people with no professional experience in financial markets, who are so glad that biodiversity economics and finance get to the top of the political agenda that they tend to suspend disbelief; yet, we have known at least since Nordhaus's and Stern's conclusions that global warming beyond 2°C was optimal that it is perhaps best for neo-classical economists to stay out of environmental policy, especially where the future and catastrophic consequences are concerned. Conversely, belief in government action seems to be higher amongst people with no professional experience in the public sector. This might suggest that everyone is looking for hope in areas where they have least expertise, as they have become disillusioned about the potential for political progress in their own area of expertise.

**Policy-making is also about much more than making budgetary trade-offs.** It is about assessing threats and needs, and about choosing the type of society we want to live in. Then and only then, is it about comparing the cumulative budgetary requirements of the different policies foreseen to the expected budgetary resources and making some trade-offs. It is however worth noting that some policies do not directly require budget space, such as curbing biodiversity destruction: this requires new laws mandating a reduction in destruction and pollution of nature by private corporations, which takes zero fiscal space. Granted, such policies would probably have an adverse impact on economic growth, but this brings us back to the question of whether economic growth - even if broadened to include imaginary values of Nature and human life - is the right metric.

Monetary valuation has never been necessary for conservation. Indeed, there is much that we conserve and do not value, and conversely there is much that we value and do not conserve. The interesting question then becomes **who needs a monetary valuation of Nature, and for what purpose.** As usual the answer may be found in large part by looking at who supports these new policies. The huge support from business coalitions might for example be understood as confirming that these policies are ultimately mostly about pre-empting new and more stringent binding environmental policies in developed countries, creating new markets and business opportunities in developing countries and minimizing the cost of compliance for the private sector.

**Depoliticizing and lowering accountability?** The Review states that ‘in addition to mobility, (...) many of the processes that shape our natural world are silent and invisible. The soils are a seat of a bewildering number of processes with all three attributes. Taken together the attributes are the reason it is not possible to trace very many of the harms inflicted on Nature (and by extension, on humanity too) to those who are responsible. Just who is responsible for a particular harm is often neither observable nor verifiable. No social mechanism can meet this problem in its entirety, meaning that no institution can be devised to enforce socially responsible conduct. It would seem then that, ultimately, we each have to serve as judge and jury for our own actions.’ In a similar vein, the review also states that ‘the choices are hard, they involve a lot more than a tax here and a set of regulations there. (...) The economics we construct here is neither entirely top-down nor entirely bottom up; it is also lateral. It advocates institutions that encourage information and directives to flow in every direction.’
In common language, *The Review* tries to make the case that because many environmental processes are invisible, it is impossible to determine who is responsible for Nature's destruction, and no institution can address the problem. In other words, environmental laws are condemned to be ineffective and cannot bring accountability. This is of course untrue: if we truly want to, we are able to identify which people or businesses are responsible for cutting a forest, polluting a river, or destroying a natural habitat. The claims that public institutions are powerless to address the issue is equally untrue. These statements are remarkable politically, in that they can be understood as depoliticizing the issue, lowering accountability and dismissing action by democratically elected governments. They are, however, consistent with *The Review*’s promotion of Davos-style partnerships between institutions, NGOs and the private sector.

2.3 Human capital

2.3.1 What is it?

Human capital refers to “the productive wealth embodied in labour, skills and knowledge” (Dasgupta 2021: 505). The value of human capital is deemed to be the future market wages and salaries of an individual, in addition to his health, education and skills, as these factors contribute to his productivity. As Dasgupta (2021: 324) explains: “the term human capital reminds us that assets can be ends, they can be means to ends, or they can be both. Reading is a pleasurable activity, but it is also necessary in a job that requires literacy. Similarly, a person’s health is both a desired end for him and a means to employment, meaning that health should be a component of human capital.”

Human capital is variously described in *the Review* as inclusive of a range of factors, including state of health, knowledge, skills, reputation, knowledge of and access to family planning, but most commonly health and education. Importantly it is extended to population size, which means that a population increase would increase its value, other things being equal. That more people add more value is of course problematic because of the implications and impacts, and because other things do not remain unchanged as a result. The value of adding more humans to the stock is counteracted by including ‘knowledge of family planning services’ as adding to human capital. As *the review* (2021: 141) explains, “we take it that population is not controllable directly, but that future population size can be influenced by investment in human capital, [such as] women’s education and knowledge of, and access to, modern family planning services.”

2.3.2 How is it valued?

The concept of human capital is heavily related to productivity in a wage labour economy. The more you produce, the more valuable you are. “Providing additional food to undernourished people via, say, food guarantee schemes not only increases their current well-being, it enables them also to be more productive in the future and to live longer. Because their human capital increases, the additional food intake should count also as investment.” (Dasgupta 2021: 276)

People who can be more productive have more value and those who can live longer (i.e. the young) can be more productive for longer, and so have more value, than others. The logic here implies allocating resources according to the payback, which means to the youngest and most ‘productive’. There are classist associations with this productivist logic, as in the history of removing common rights to force the poor into wage labour relations so they could become productive (Hill 1997; Thompson 1993).
The two main elements, health and education, must then be converted into monetary values. According to Dasgupta (2021: 276): “That training people to be teachers is investing in human capital is simple enough.” Education appears more straightforward because the case is made that investment in education brings financial returns.

Health (i.e., mortality and morbidity) as a capital investment is even worse. To measure the value of mortality and morbidity in money terms relies on the conjuring trick of talking about abstracted non-real people who are represented as ‘statistical lives.’ Dasgupta (2021: 256) notes that: “The value of a statistical life (VSL), [is] a concept central to the meaning and measurement of human capital”. The idea is that monetary values can be placed on human life without specifying people who will actually lose their lives as a result of a public policy decision.

Studies in economic valuation of environmental impacts have over many years developed various measures for placing a value on life or more precisely the avoidance of the risk of death. Pollution can lead to premature death (mortality) and impacts on health (morbidity). Thus, economic studies try to associate a monetary amount in order to assess the optimal level of resources to be diverted to preventing morbidity and mortality. There are two main methods for assessing the risk of death or VSL. First, an individual may be directly asked their willingness to pay to avoid a risk or their willingness to accept compensation for incurring a risk. CVM surveys have been most commonly applied in this area but have also been severely criticised in this specific context (Jones-Lee and Loomes, 1997). The other main alternative for VSL calculation is to use measures related to earnings, a revealed preference method, technically termed a hedonic wage approach. This might, for example, use actual wage differentials in jobs with a range of risks.

The results are used in transportation assessment to decide upon road building programmes and the installation of safety equipment. In transport policy the public rejection of this approach is exposed when there is a train crash, people are killed and the public discover that the lack of safety equipment is the result of a calculation which deemed that this equipment would cost more than the expected cost of fatalities. Politicians rarely defend the numbers in such circumstances, although their transport departments may continue to use them on a daily basis.

2.3.3 What is problematic with it?

A major example of the failings of VSL arose during the third assessment report of the Intergovernmental Panel on Climate Change (IPCC). Willingness-to-pay informed VSL, based on Fankhauser (1995: 47), gave a range from $0.2–$16.0 million with an average of $3 million, with $1.5 million adopted as the VSL for developed countries. Adjustment was made for income to give “an arbitrary value of $300,000 for middle income and $100,000 for low-income countries”. The result was a factor of fifteen difference between VSL in high ($1.5 million) and low ($0.1 million) income countries. A storm raged when the IPCC chapter employing this approach appeared (see Spash 2002a: Chapter 7). Representatives from industrially developing nations, led by India and China, refused to accept the report citing it as absurd, unethical, technically inaccurate and highly discriminatory against the poor.

Shortly after the IPCC VSL controversy, a prime example of commensurability problems arose when Nordhaus (1998a; 1998b) published his CBA of climate change. He claimed increased morbidity/mortality would be outweighed due to increased leisure opportunities by a factor of 30 to 10 in China and by 38 to 3 in the USA. An example Nordhaus used at the time concerned
claiming that golfers may view global warming as a boon to year-round recreation. So, if we extend this logic to global studies, more golfing days in Florida could compensate for dead people in China.

The commensuration of values in *The Review* is no different. Classes of capital are valued, equated and summed. Human capital is an aggregation of values so that, for example, more ‘education’ can compensate for increased risk of death. More than this, if education pays better financial dividends than avoiding loss of life then, according to the economic accountants, the optimal world should have more education and more death.

The concept of human capital also raises in our view other serious questions that need answering: **What kind of education, and societal project are being promoted?** The more education you get the more you earn, right? Well, not exactly. Financial returns neither require being educated nor does education bring financial returns per se. This is exactly why those politicians concerned for financial returns seek to defund education in the arts, philosophy, the classics and so on. Under capitalism it is business, banking and finance that ‘makes money’ not just being educated. Skills in arts and crafts quickly became regarded as redundant under the capitalist industrial revolution. Typically, traditional knowledge is denigrated because it does not service the modern economy or allow surplus accumulation and therefore those trained in such knowledge are regarded as uneducated and ignorant. Reducing the value of education to a financial rate of return, which treats a human being as a capital asset, is a particularly reductionist approach to the meaning of life with serious consequences for public policy.

The definition of human capital as productive wealth can be understood as framing a government’s relations with its citizens primarily through the narrow lens of their economic contribution, as if the government were a national human resources department, and its responsibility to the citizens that elected it was to ensure their good health and education only to the extent that it contributes to their productivity. There is a risk in our view that this narrow vision could have an adverse impact on several areas of policymaking, from social policies to public healthcare, cultural policies and to democratic participation.

Finally, *the Review* also places great emphasis on the size of the global population, in the tradition of Malthus, even while insisting that it does not. As Fletcher (2021: 3) notes: “the interrelation between social inequality and ecological destruction can be explained in one of two ways: as a function of human population growth creating resource scarcity; or as a product of a capitalist economic system demanding unsustainable resource use to facilitate economic growth that has little to do with satiating the needs of the human collective, but rather with enriching a select few at the expense of the rest—as well as at the expense of the planet as a whole.” *The Review* clearly choses the first way. The focus on global population size, natality rates and women’s education in developing countries implicitly shifts responsibility and blame for biodiversity loss away from capital accumulation and on to developing countries and women.

### 3 ENABLING ASSETS

According to Dasgupta (2021: 325), all in the world that is productive for human ends which is neither produced capital, nor human capital, nor natural capital can be classified as enabling assets, “because they confer value to the three classes of capital goods by facilitating their use”. Although, “enabling assets are not always usefully measurable, but that does not matter,
Enabling assets include, for example, publicly available knowledge, social capital, biodiversity, and financial capital. Financial capital—the most intuitive—is deemed to facilitate exchange. Well-functioning institutions enable societies to thrive, therefore social capital (described below) is an enabling asset. Biodiversity is considered to be both a characteristic of natural capital and a factor influencing the productivity of natural capital and ecosystems by enabling their regeneration, therefore an enabling asset. We will see below why such a framing is problematic.

3.1 Biodiversity as an enabling asset

Biodiversity is described as “a characteristic of natural capital [...] a factor influencing the productivity of natural capital, or more concretely, ecosystems” (Dasgupta 2021: 43). It is reduced down to an input to production, something that adds productivity to natural capital. It is claimed that because biodiversity is only an enabling asset there is no need to measure its value directly. “Which is why environmental and resource economists estimate the accounting prices of items of natural capital – for example ecosystems – not biodiversity. The value of biodiversity is embedded in the accounting prices of natural capital.”

In fact, this is incorrect both in terms of values being directly relevant to biodiversity and in that environmental economists have from the start of their interest in the topic attempted to value biodiversity in exactly the same way as other aspects of the environment using exactly the same cost-benefit methods. An amazing gap in such a ‘review’ is its failure to address a literature going back some thirty years and the absence of any mention of the research on environmental cost-benefit analysis that dominated for some decades. Indeed such environmental economists invoked the same neoclassical economics as Dasgupta directly as applicable to biodiversity and assumed there is “a marginal value of biologically diverse resources” (Swanson 1994: 34, 161). Exactly why Dasgupta wants to relegate biodiversity to a more functionary sub-role is unclear, but in a work supposed to address the topic as a comprehensive ‘Review’ he simply ignores the existing literature.

The other aspect of relevance here is how biodiversity is valued. What research from the early 1990s onwards uncovered was that people, when asked to state their preferences may, in significant numbers, reject the economists valuation approach and instead hold multiple and incommensurable values (Spash 2000b; Spash and Hanley 1995). They may hold rights-based positions and their refusal to trade-off poses problems for mainstream economics, which has responded by treating responses diverging from its core theory as anomalies and dismissing them (Spash 2000a; 2006; Spash, et al. 2009; Spash, et al. 2000). The economic approach has thus not been about empowering ecologists or respecting Nature or paying attention to the scientific concept of biodiversity or even listening to what people say when asked about their preferences, it has been doing exactly the opposite (Spash 2015; Spash and Aslaksen 2015). Appealing to uninformed preferences of individuals about scientific concepts, species, genes and ecosystems makes little sense, but is a neglected topic (Spash 2002b).

The assumption that informing people can be some neutral act is at best naïve and at worst an excuse for deliberate manipulation. That the role of individual preferences themselves as a means of policy guidance is highly problematic is not even on the agenda, but has serious public policy implications with respect to biodiversity and ecosystems (Spash 2008b).
3.2 Social capital

Social capital is defined as mutual trust and associated norms of reciprocity that enable people to engage with one another: “Taken together, trust in others, confidence in government to deliver and in markets to function well, and the institutional arrangements that enable people to engage with one another for mutual benefit, is called social capital—a concept central to the economics of biodiversity.” (Dasgupta 2021: 167, emphasis original).

While mainstream economics commonly views society as comprising three classes of institutions (households, firms/businesses and the state), “the idea of social capital illuminates a fourth class, comprising communities and civil society” (ibid). Dasgupta’s understanding here, and his capitalist reductionism, appear quite limiting. Non-monetary, non-wage labour, household activities are actually essential to the reproduction of any economy (as highlighted by feminist economics). The idea of a sphere that addresses the communal and cooperative activities, non-governmental and charitable sector has also been discussed as a major missing element in the traditional economic accounts of modern society (e.g., Adaman and Madra 2002). In addition, we note that Dasgupta’s view totally ignores the role of organised labour and Unions in the economy and society. Society is irreducible to a concept of capital.

The Review explains that cooperation between people “depends on mutual beliefs, nothing more” (Dasgupta 2021: 184). Whether communities shift from cooperation to non-cooperation depends on whether they have mutual beliefs or not. Distrust, fighting and fear are exemplified as resulting from ecological stress, authoritarian governments and “false rumours” (ibid). “False rumours and propaganda create pathways by which people’s beliefs can so alter that they tip a society where people trust one another to one where they do not.” (Dasgupta 2021: 184).

Bringing together a range of actors—governments, NGOs and increasingly private firms—is advocated to build local institutions to engage people in collective action and set rules. This is necessary because “beliefs do not appear out of nowhere”. Accordingly, this will be an institutional process “that helps to align beliefs” (Dasgupta 2021: 181).

According to the Review, social capital must be optimised for several reasons. First, Dasgupta believes that trust and economic growth are positively related, so that more cooperation improves efficient allocation of resources and so increases wealth. Second, civic engagement and membership in associations are noted to discipline the government and improve its governance. Third, communities and civil society are regarded as essential for programmes aiming at conservation and restoration of Nature if they are initiated by government or national/international NGOs (Dasgupta 2021: 169).

Aiming at increasing trust and collaboration in a society is a laudable objective. However, some formulations in The Review raise serious concerns. These can be exemplified by recent attempts to “align beliefs” in society.

- A telling example is the internationally praised national social capital metric of Bhutan, the Gross National Happiness Index. While largely ignored internationally, the government has used the same index to support cultural preservation advanced via ethnic cleansing of Nepalese Hindu minorities (Mørch 2016).

- The UK government (2020) issued guidance on teaching in state schools stating that they should not under any circumstances use resources produced by organisations that take extreme political stances on matters such as a publicly stated desire to abolish or
overthrow capitalism.

In France, new decrees authorise the government to keep records on citizens political and religious beliefs (Agence France-Presse 2021). A French minister stated that “our society has been too permeable to Islamo-leftism with devastating effects on our universities […] intellectual complicity with terrorism” (Selenite 2020), with demands for a government enquiry about ‘Islamo-leftism’ within French universities (Le Nevé 2021).

These examples indicate the danger of blanket calls to “align beliefs”, and Dasgupta’s promotion of doing so between government, NGOs and the private sector. Diversity of opinions, different stakeholders’ perspectives, misaligned beliefs and public debates are what democracy is about. Aligning beliefs is more in line with totalitarianism. Absolute trust in government by all is also neither likely nor something to ‘optimised’ via investment. Creating social capital might easily be instrumentalised to silence critical voices, blame civil society for being uncooperative, depoliticise issues and dismiss genuine concerns—class struggle, power relations, value conflicts.

Civil society is also divided. For example, on the topic of financialising Nature, the larger conservation NGOs typically support neoliberal policies, whereas indigenous and human rights NGOs oppose them. Would aligning beliefs to build social capital result in NGOs being classified into ‘good’ and ‘bad’ with public funding and other means of enforcement? Overall, the concept and promotion of social capital by The Review appears fuzzy, double-edged and dangerous for democracy.

4 IS BIODIVERSITY CONSERVATION SIMILAR TO ASSET MANAGEMENT?

The comparison made by The Review that biodiversity conservation is similar to asset management appears highly inappropriate in our view, and risks leading to a misapprehension of the issue at hand and to the wrong policy decisions. Below are six reasons why this analogy fails.

4.1 Is biodiversity destruction an issue of asset misallocation?

Avoiding the destruction of Nature has little to do with asset management, because it is first and foremost about avoiding harm. Avoiding destruction may entail some opportunity costs, but by definition fails to require ‘investment’, and consequently does not require asset management. Dasgupta tries to claim that all conservation requires investment, however, while restoration may require some investment, restoration is secondary compared to curbing destruction, and Nature can also often regenerate without human intervention (which is often the cause of preventing this from occurring). The view that biodiversity destruction is an issue of bad asset management is therefore far from self-evident and on the contrary quite controversial. The more prevalent and contrasting view is that biodiversity destruction has always been a corollary of economic growth, since most economic activities are based on the transformation of natural resources. Yet, rather than challenge the current hegemonic focus on economic growth, the asset misallocation framing enables the continuation of economic
growth, under the added condition of (hopefully) not destroying life on Earth.

4.2 …that would be solved by more financial markets for Nature and less government?

Underlying this analogy is the idea that markets are efficient, able to price scarce resources and allocate them optimally. This leads to the argument that public policy should therefore foster new environmental markets that would provide the ‘right incentives’ for private actors to choose the optimal allocation of resources that would maximise sustainable growth. Such thinking is aligned with the neoliberal Wall Street Consensus, which pushes to transform the State from a sovereign actor to a standard setter and provider of subsidies and de-risking for the private sector.

That markets cannot achieve efficient allocation unaided is why Dasgupta requires a social evaluator and accounting prices. An analysis of oil prices over the past century also shows that markets are unable to price scarcity adequately for a number of well-known reasons (information effect dominating the scarcity effect, prices being determined mostly on derivatives markets rather than on physical markets based on supply and demand from end users (Bouleau 2018)).

4.3 Isn’t optimisation the type of thinking that in large part created the issue?

An asset manager’s mandate is to maximise the return on a portfolio for a given investment mandate and allowance for risk taking. Optimisation, whether of financial returns or well-being, is arguably the kind of thinking that created in large part the current ecological crises, as it pushes for the maximum exploitation of nature as long as it is profitable and within a certain set of regulatory constraints.

Crucially, such thinking would arguably also be very problematic in trying to address the issue, as optimising means pushing to the maximum, and therefore reduces the margin for error. It assumes implicitly and incorrectly that our scientific knowledge is sufficiently complete and scientific uncertainty sufficiently limited for it not to create disproportionate consequences for errors. By giving less margin for error, optimising thus increases fragility. Nature, by contrast, avoids optimisation and is full of redundancies that make for resilience.

It is also worth remembering what kind of optimisation we are discussing here, and for what purpose: the goal is to maximise economic growth under the constraint of trying not to destroy all of nature and humanity. While it is legitimate to not only consider environmental concerns but also social ones, trying to maximise GDP under sustainability constraints means taking great chances, not leaving room for mistakes or scientific discoveries, and gambling with future species existence for a few points of GDP growth. Is it worth the gamble - and can we afford to fail? Not optimising might be argued to have an adverse impact on the consumption of goods, but it would have the immense benefit of leaving us a bit more margin for error.

4.4 Asset management deals in risk, whereas ecosystems are about strong uncertainty

Distinguishing between different types of unknown futures is important in understanding what actions we should and can undertake. Typically, economists reduce all unknowns to risk which is the probability of an event occurring. So, when considering a simple coin toss, we can expect a 50:50 chance of heads or tails and then repeatedly toss the coin to see. In this case the
possible future states or events are known and so are the probabilities. However, uncertainty and incertitude arise when we either only know the possible outcomes, but not their probability, or we know the risk, but not all the potential events. Human induced climate change is a good example where future states involve unique events such as the melting of the West Antarctic ice sheets, an unrepeatable experience, a knowable event without a probability distribution. We suffer from both partial ignorance and social indeterminacy, not least because humans are also unpredictable in their actions which may confound expectations. An important distinction is between weak uncertainty where events and probabilities can be assigned (Spash 2002a: Chapter 4), and strong uncertainty where ignorance and indeterminacy dominate (Spash 2002a: Chapter 5). The latter requires a different approach to public policy that entails precaution (Stirling 2017), not risk management or risk taking.

Addressing the sixth mass extinction of species involves dealing with strong uncertainty. Yet, while asset management and financial markets are generally designed to handle risk (weak uncertainty), they are unable to handle strong uncertainty. In fact, the greater the strong uncertainty, the more uncertain are the prices and the greater the chance of sudden and unexpected price crashes (Slovik 2011). This inability to deal with strong uncertainty makes the analogy both erroneous and dangerous. Among other things, it may give a misleading impression of substitutability and lognormal (bell-shaped) distribution of probabilities, a false sense of certainty and promote inappropriate financial concepts such as diversification.

4.5 Asymmetric pay-offs and limited accountability

Asset management is one of those rare professions that enjoy a huge asymmetry, in that the potential compensation is unlimited – it is typically a function of both the quantity of assets under management and overperformance – but asset managers can only lose their job in case of repeated poor performance, so they are incentivised by design to take a great deal of risks. Is this type of hugely asymmetric pay-off and limited accountability what we want for our policy-makers making policy choices dealing with existential threats? Do we believe that this model provides the best incentives?

4.6 Psychology versus science

Financial markets have been famously described by Keynes (1978 [1936]: 156) as a competition to guess the outcome of a beauty contest where you win not by judging who is the prettiest contestant, but by correctly guessing whom the majority will choose. This is essentially about group psychology, and requires a very different skill set than Nature conservation, which is about understanding the causes of destruction and employing scientific approaches for truth seeking to help avoid them. One example of the psychological nature of financial markets can be found with the much-praised benefits of diversification: when big crises hit, all correlations jump towards 1, i.e. the benefits of diversification evaporate quite quickly, as fear dominates behaviours, the so-called ‘risk appetite’ of market participants declines quickly, and trading positions are closed to stop losses or lock-in profits in assets that may have no correlation to the original event.

For all the above reasons, we find that comparing biodiversity conservation and asset management is deeply inadequate. The fact that governments have budgetary trade-offs to make does not imply in any way that environmental policies are similar to asset management. Using the language and concepts of finance to describe environmental issues is far from neutral
or objective, as it shapes unconsciously how we understand the issue, and what solutions are deemed possible and desirable. Promoting such an incorrect framing is deeply problematic and worrying, as it might give policy makers a faulty understanding of both the issue to be addressed and of potential ways forward, with potentially devastating and irreversible consequences.

5 CONCLUSIONS

While the Review is perceived by some to be an improvement over our current way of thinking, it supports existing neoclassical and neoliberal paradigms such as maximising economic growth (under new natural capital - not environmental - constraints), a growing role for price-making markets, and a redefinition of the role of the State according to the Wall Street Consensus. This leads us to conclude that, far from being a significant departure from the current status quo, the policies promoted in The Review can be understood instead as enabling the continuation of the current paradigms and thinking.

The significant political support for The Review may be understood as part of an effort to rebrand London as a leading green financial centre in the wake of Brexit. The UK government has pledged £10 million to fund a new UK Centre for Greening Finance and Investment, which aims to establish the UK as a world leader in climate and environmental services (UK GCGFI 2021).

Lastly and crucially, The Review promotes a vision of policy-making where policy choices are in large part replaced by using The Review’s own simplified model of the world and solving its equations. As a consequence, a significant part of future policy choices are already made when the model is designed and its parameters defined. This raises the crucial question of whether Dasgupta’s view of the world on which his model is based should define the future of British citizens for the decades to come. Put differently, should the UK government wait to implement these policies until the concerns and questions raised have been addressed and should there be a public debate on these issues of crucial public interest? We believe that there should.
LITERATURE CITED


HM Treasury. (2021). Nature is a blind spot in economics that we ignore at our peril, says Dasgupta Review.


Spash, C.L. (2020b). ‘The economy’ as if people mattered: Revisiting critiques of economic growth in a...


ABOUT US

The Green Finance Observatory is an independent NGO whose mission is to analyse new financial markets and instruments linked to environmental policies, to assess whether they can meet their stated environmental, economic and social objectives.

We are a small team of ex financial market and policy advocacy professionals. Our respective experiences led us to conclude that while there was a tremendous expertise on environmental matters in the CSO universe, fewer civil society organisations were engaging in complementary and essential angles such as finance, looking at the nuts and bolts of green financial markets and instruments.

Find out more about the organisation on our website: www.greenfinanceobservatory.org