GREEN ACCOUNTING WITHIN EU POLICIES

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The European Union has transformed the economy-environment relationship into one of its quasi-constitutional missions; the EU must gather the necessary instruments in order to carry out this mission. There are several opinions regarding the way the environment should be taken into consideration when it comes to national accountancy;these beliefs are caused by the different approaches related to the environmental protection and differences between economical and environmental approaches: the national accounting standards registers only market transactions, whereas the environment is a non-market phenomenon; the national accounting considers only monetary flows, but the environment has physical flows and inventories; the national accounting standards deals with short-term events, where the environments considers long-term analyses. This approach sustains the treatment of aggregate variables from the national accounting as a production measure, and not a wealth measure. Conducting the estimation in monetary terms brings the advantage of offering favorable conditions to economical estimation, and avoiding the discrepancies between the different values; but the physical measurement units play an important role in the evaluation of natural resources; that is why the images of natural modifications from the biological cycle must be presented only through these physical elements. A suitable example consists in the indicators of water quality, air and soil quality. On one hand, these indicators reflect a certain bio-chemical composition of the natural resource, and on the other hand this composition brings certain supply of services for humans. One of the most important charactersitcs of industrial and economical development was the assignment of activities from the household where not been payd, towards specialized units wich operate intoo market.

Key words*: green accounting,national accounts,EU policies,durable growth*

Nowadays, the environmental protection is considered a very important issue of mankind, starting with the moment when man walked on the Earth. Today, the energy resources are being affected, and a rapid exhaustion of some resources is now a real problem, and essential factors such as air or water, are now poisoned. The dominant convention in the present is that if the goods and services are accompanied accordingly by the monetary flows (in a reversed sense), then they are a part of the national product. An exception to this rule is represented by the services made by the buildings of the owners- inhabitants and by the agricultural production obtained and consumed in the households of the population, the value

of both categories being estimated at the current prices of the market and included in the national produce. Any monetary flow that is not accompanied by an appropriate flow of goods and services represent transfers that are not included in the national produce. In the same way, due to the passage of the activities on the market in the process of modern economic development, it is overestimated systematically the economic growth.

MATERIAL AND METHOD

Dealing with complex threats over the environment and the limited amount of resources makes the most urgent problems to seem unimportant when it comes to monetary flows. In Eastern Europe, despite the need of cleaning the infected rivers, studies have shown that there would be higher benefits by reducing the air pollution. The sustainable environmental development strategies are supporting the economical growth and environmental management. This kind of strategy eliminates the subsidies given for the resource exploiting, classification of property rights, education development and programs related to populations' needs.

These policies shouldn't be controversial, given the fact there is a real need for political support and funds for their implementation. More controversial are the policies that tend to stop the environmental damage through regulations and stimulants, whereas a wrong implementation can cause serious distortions in the national economy. The ecology was always not relevant for the business environment, but in the last couple of years, the perception has changed, by introducing a new approach on preserving the natural resources and a new perception of human activities. In the past, natural resources were considered "free goods"; this view supported an unlimited economical growth.

RESULTS AND DISCUSSION

One of the most important facts about industrial economical development was the transfer of activity from households, were the activity received no payment, to specialized units active on the market. The national accounts, calculated this way, consider this activity as an output increase factor, but this growth is actually equal with the value of the market activity that replaces the household activity. Consequently, by excluding the non-monetary production from the GDP, the real production would be underestimated. The "national accounts" are now formed by defining "production limits" that separate the productive activities from non-productive activities, and this distinction in necessarily conventional. The current belief states that if the goods and services flows are sustained by monetary flows, then they are part of the gross domestic product. There are exceptions: services offered to building owners-occupants, and services from agricultural production offered to households, whereas the value of the services is estimated at current market prices and included in the national gross product. Every monetary flow that is not sustained by a correspondent goods and services flow is considered as transfer and it is not included in the national product. Furthermore, because of the activity transfer on the modern economy market, the economical growth is systematically overrated. Another important neglect cause in the national

accounting system is the lack of evaluations on human capital modification and social/organizational capital modification. The evaluation of economical growth has identified specific differentiation methods for the quality of labor input. These different activities reflect different outputs, but they are generated by human capital, which can be estimated by considering the following:

- The input value necessary for creating, maintaining and increasing stock; in practice, this task seems to be too elaborated; this is available only in the cases where health and education expenses indicate the other element of creating and maintaining human capital. As for the estimation of human and organizational capital, the statistical obstacles are even higher.

- The productivity associated with labor services, evaluated at the current value of the revenue flows generated by the capital.

Another national accounting issue is the way the environment is being treated. The economical functions of the environment are: ensuring resources, absorbing and neutralizing wastes and ensuring other services for the population. The resources can be exhausted during the human activities, and the environment can be deteriorated because of contamination. Just like capital consumption, the constant exploitation and degradation involve the situation where the environment will not be able to function properly, or will not function at all. Some environment roles are vital for mankind and for the economy. That is why the current "exploiting" methods are considered "unsustainable" and they must be stopped. Separating the natural resources from the economical resources is not easy. The important fact is that the natural resources must be used in a manner that allows a rational exploitation, therefore the need of a separation criterion for a rational exploitation of natural resources.

This criterion can be developed inside a national accounting system that integrates the environment as well. This way, the future impact of the human activities over the environment can be more precisely calculated. The national accounting system offers an economical view over the relationship between the environment and economy.

The evaluation is conducted at current market prices; the production includes all goods, even those sold on the market, plus other services not present on the market (household services and governmental services not present on the market). The goods and services from outside the market are estimated either to the price of similar products existent on the market, either based on costs. Using the environment for economical purpose is not included in the national accounting system, and therefore is not reflected in important sets, such as GDP. The cost of exhausting the natural resources includes only the extraction costs; the losses of future generations by reducing the national resources and the future production capacity are not taken into consideration by the national accounting system; they are only registered as asset impairments.

There is an approach, according to which the national accounting system estimates the services at a far to low level, then the "real" income is

underestimated. It is possible to treat the exploitation of natural resources in the same manner as the depreciation of the resulted capital.

This type of evaluation is considered to be unrealistic by some experts, by invoking the uncertainty and possible difficulties that can occur at the estimation of the environments' functions. Given the praxis conditions, it seems that setting production limits to human economy by using the current stipulations of the national accounting system is in fact preferred by most, on condition that exploitation of natural resources is to be recognized as capital consumption; this should be deduced from the GDP, in order to determine the adjusted net domestic product; this approach is also recommended by ONU in its accounting integrated system for environment and economy. This approach sustains the treatment of aggregate variables from the national accounting as a production measure, and not a wealth measure.

Conducting the estimation in monetary terms brings the advantage of offering favorable conditions to economical estimation, and avoiding the discrepancies between the different values; but the physical measurement units play an important role in the evaluation of natural resources; that is why the images of natural modifications from the biological cycle must be presented only through these physical elements.

A suitable example consists in the indicators of water quality, air and soil quality. On one hand, these indicators reflect a certain bio-chemical composition of the natural resource, and on the other hand this composition brings certain supply of services for humans. Consequently, the physical data can be useful for describing certain interdependences between the environment and the economy, but are not sufficient, because the humans' expectations over certain supplies of services are conclusive for the economical impact of the data.

The natural environmental assets affected by human activities are called natural assets, natural capital or natural patrimony. The natural assets consist of biological assets, land properties and water together with their correspondent ecosystems, subsoil and air assets.

CONCLUSIONS

In collecting societies, the natural assets are considered only if they bring or will bring profits. The possible profits or losses that may result from the alteration of the initial natural balance are not taken into consideration. Using natural assets can cause expenditure or quality damage. In the first scenario, using natural resources leads to degradation of the natural environment. The natural assets can be analyzed through the perspective of their integration in the category of capital goods. This way, the subsoil resources are considered raw materials, the land is considered a fixed asset, and forests are also inventories. The forested land are considered to be a fixed asset because they exhale atmospheric gases, and the land must be consistent tended, in order to supply the same products each year.

This is why too exigent classifications tend to lose relevance during the analysis of natural resource exploitation. It is also important to analyze the level and quality of productive or consumption services provided to the economy through different natural assets. The environmental costs are associated with costs determined by actual or potential degradation of natural resources. These costs can be analyzed through the help of two components:caused costs, that refer to environmental costs generated by economic activities that cause environmental degradation.

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