

What are ecosystem services? The need for standardized environmental accounting units ☆

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<http://dx.doi.org/10.1016/j.ecolecon.2007.01.002>, [How to Cite or Link Using DOI](#)

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Abstract

This paper advocates consistently defined units of account to measure the contributions of nature to human welfare. We argue that such units have to date not been defined by environmental accounting advocates and that the term "ecosystem services" is too ad hoc to be of practical use in welfare accounting. We propose a definition, rooted in economic principles, of final ecosystem service units. A goal of these units is comparability with the definition of conventional goods and services found in GDP and the other national accounts. We illustrate our definition of ecological units of account with concrete examples. We also argue that these same units of account provide an architecture for environmental performance measurement by governments, conservancies, and environmental markets.

Keywords

Environmental accounting; Ecosystem services; Index theory; Nonmarket valuation

JEL classification

Q51; Q57; Q58; D6
