A Comparison of Profits and Losses Regarding the Carbon Economic Accounting in the Environment

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INTRODUCTION

The relationship between man and the environment has always been complex. However, the use of technology has changed the general concerns about the environment [2]. Globalization which refers to the connection of the global communities has been one of the leading topics of the recent decades and so the environmental issues are now very important topics. This has led to some concerns regarding the planet health [6]. Many international organizations such as the environmental planning of the UN have made several guidelines and instructions obligatory for the nations within the context of economic cooperation plan (ECO, 1987). There are also opportunities provided in this area. In Iran, in 1354, for the first time, a law was used to prohibit the establishment of factories that break the environmental laws. The production units are in this way under the pressure to reduce the production expenses and reduce the environmental impacts of their operational activities. The pressures have led to the creation of the environmental accounting. As stated by Digan (green accounting) is a title for the environmental accounting that expresses the environmental information for the people involved within and outside an organizations (2003). The environmental accounting can be put into effect on national scales as well if it is possible to use it in organizations. Thus, this paper aims to provide a general view of the environmental accounting and a case study of the carbon accounting.

The question is whether the environmental plans such as this one are good substitutions for the financial calculation based on profit and loss. The data in this area demonstrate that these plans do not provide wise and reliable solutions in practice. If we leave aside the management of the costs, the information needed to be frugal in transactions are provided, but the legal system based on precise ownership laws may remove environmental issues. Not very strict limitations for the ownership law may bring about the environmental benefits and reduce our destructive role in response to nature. Examples for this non-strict policy can be the removal of the imposed limitations on the housing market and privatization of the garbage collection in urban areas.

Environmental issues can be human-centered in that they can have a direct impact on human life or can be environment-centered which means that in this approach more value is attributed to nature independently. Block (1887: 1998) provides a "moderated" and completely "purposeful" definition of the environmentalism: "environmentalism can be defined as a philosophy in an indisputable manner that finds great value in water, air,
and reducing the likelihood of the extinction of the species. In this way, "the environmental issues are not related to the environment itself, rather they are related to solving the human challenges". Courdato in this work gives an overview of the neoclassic attitude to the environment economy. In other words, the correct interpretation of the environmental issues considers them as the challenge among humans (2004: 3). These issues are important because they affect the growth and progress of mankind.

Bruttlan (2006) is very critical of this viewpoint which says that it is possible to know how much is needed to preserve the exiting assets "with an expanded definition" for the future generations. He has written critiques along with Taylor on the new theories of permanent development. Routiebord (2002) has written extensively on this subject. Another issue in this regard is the environmental contamination which has come into the spotlight by others like Hamoey (1982; 1996).

Movement for the defense of the environment both really and both separately hurt with the abandonment of the market. While we cannot simultaneously have the cake and eat it therefore, by more production we can have the cake and eat it. We need to be private property to produce information about whether to recognize a manufacturing process or social system is "sustainable" or not. This information can be obtained through the discovery process of the market. Non-monetary calculate the environmental impact were involved the same problems that the public ownership of the means of production grapple with them. If we ignore the price mechanism, there will not be information required for rational economizing. The legal system based on explicit private property rights, is solution for environmental issues. Removing restrictions on property rights can lead to the creation of the environmental benefits and reduce our contribution in environmental deterioration that some of them are as follows; removing the limitations prescribed for the housing market and the privatization of garbage collection and recycling in cities.

Environmental accounting:

The accounting of the environment encompasses a series of rules that strengthen the potential of the accounting system for identifying, documenting and reporting the resulting effects of the destruction and contamination of the environment. It is based on a blend of the environment as a source of supply and taking into account the environmental expenses as one of the acceptable expenses in the economic and calculative processes [17].

The historical route of the environmental accounting [14]

1. The rudimentary expression of the accounting of the social responsibilities (1971-2001)
2. The literature of accounting changed from the accounting of the social responsibilities to the environmental accounting (1981-1990)
3. Careful Attention to the environment and it’s accounting for the environment among the scholars, professions, and countries (1990-…)

The aim of the environmental accounting is gathering the information which can help the managers in evaluating, decision-making, controlling and reporting their performances. Environmental accounting is based on the economical concepts and the environment and its application, considering not using the market based values, requires the implementation of cultural changes. It creates some part of this change in the organization and some greater part in the society and through presenting more fundamental recognition and participation in daily work activities helps defining the continual development scope as a special approach [17]. We offer definitions of the accounting environment the following:

The agency for environment protection in the USA, USEPA (1995): The environmental accounting expression can be used to indicate national income, domestic or financial management accounting. The national income rate is an index of the macro-level economy. The green GDP is an example which, with an expense of the environment evacuation and depreciation, is used as a key criterion for economical welfare. The financial accounting is used for general reporting and evaluating of the main environmental debts and expenses in financial terms, based on the accepted general principles. The management accounting is a process of gathering and identifying and analyzing the information on environment and mainly uses domestic targets. Unlike the financial accounting, which is controlled and guided by the accepted principles of the accounting, the management accounting systems and methods can be used regarding the professional needs of the managers.

Goutier et al. (1997): The environmental accounting is a type of information system that contributes to the collection and analysis of the data, consistency of the performance, decision-making and forming responses from the management in environmental threats and expenses.

Shalitger and Barrit (2000): It is a branch of accounting that deals with the activities, methods, systems, records, analyses, reports, and financial and ecological effects of a specific economical system from the economical dimension.

Digan [5]: It is a comprehensive term that expresses the process of gathering the information related to the environmental performance to the stakeholders inside and outside an organization. If it is possible to apply the environmental accounting in company level, is should be agreed that applying this kind of accounting would be also possible in national level. The Japanese ministry of environment (2005): It creates a favorable connection to
the society with the purpose of permanent development and follows the activities regarding the effective actions in environmental preservation. It allows a firm to identify the cost of this preservation and its resulting advantages. Provides the best available instrument in quantitative measurement (in currency or physical units) and supports the delivery of the results, therefore, the environmental accounting, as a system for environmental information can be used for supporting the internal and external functions of the firms. Marcus (2011): The environmental accounting is a type of accounting to consider the factors which have potential or existing impacts on the environment.

**A history of the environmental accounting:**

Discussions on this topic began first in the 1960s in Europe under the heading of the accounting of the social responsibilities and Anderson can be called the father of this type of knowledge. In the US, on the other hand, with the Accounting Association America attempts, the issue expanded from the early 1970s. In Iran it became popular in the fall of the year 1997, in the accounting studies journal, under the heading of the accounting of the social responsibilities [1]. Then the emphasis of the accounting literature changed from the accounting of the social responsibilities to the environmental accounting and from the 1990s on, these concepts became popular among the accountants worldwide. There are reasons behind the interest of the accountants in these concepts which some of them can be found in Report stern report. It was after this report that global reception followed the issue of the environmental accounting regarding the environmental consequences in general and the special techniques of the carbon reduction in particular [8]. This report was discussed based on the Kito protocol (which followed the target of reduction of the greenhouse gases) [7].

Therefore, the 1970s can be called the decade which was the birth date of the basic design of the related discussion to the environmental accounting. The industrial firms in that period faced the concept of environmental debts reporting. These firms did not like to offer any report in this connection, however, with time and the increase of the losses, they were compelled to observe the related regulations. In 1975 the committee in charge of the accounting standards published the fifth issue of this journal dealing with the accounting of the probable events based on which the potential losses concerning the environment had to be reported in financial statements. The debts of the losses related to the environment were identified as the potential losses but due to the future problems in evaluating the amount of these losses, no firm would follow the aforesaid guideline. Therefore, the need for codification a new guideline was felt.

In 1976, (the number 14 analysis) was published by the committee of the codification of the accounting standards under the heading of Evaluating the amount of a loss but made no comments regarding the delay in recording the environmental expenses. Finally, the law of preservation and recycling of the environmental resources, and the comprehensive law of the environmental responsibility, compensation and debt were approved in 1976 and in 1980, respectively. Also, in 1990, the committee of the codification of the accounting standards published the (90-8) issue under the heading of capitalization of the contamination expenses of environment. In this line of enquiry, it can be concluded that the costs of the environmental debts must be determined according to a definite plan in order to reduce the contamination. [11].

**The functions of the environmental accounting:**

This subject can be interpreted based on national income accounting (macroeconomic aspect), financial accounting and the management accounting. The national accounting views the natural resources and consumptions from a national standpoint. (Emphasizes on the sustainable development concept) The financial accounting views from the consumers of the financial reports and their judgments concerning general responsibilities (emphasizes on environmental costing). In other words, in national income accounting, the environmental accounting is used for accounting related to the expenses of the subterraneous resources and the resulting flows of these resources. In financial accounting, the environmental accounting represents the requirements in order to disclose the environmental debts and expenses considering the accepted principles of the accounting with the purpose of reporting to the consumers out of the organization and The management accounting uses the environmental accounting in the process of identifying, gathering and analyzing the information with inter-organizational purposes such as planning, evaluating the performance and controlling targets. The environmental management accounting can measure the cost of the material and environmental expenses used for the operation and support the management in planning, evaluating and better decision making.

**The aims of the environmental accounting:**

Determining environmental chances and limiting the additional expenses without any added value; estimating the environmental costs and generally including it in the factory’s overhead, determining opportunities for creating net profit; maintaining and creating an environmental information system for improving the operational management, identifying the costs and the future return of the operationalization of the information system of the environmental management; making contributions to the design of a productive process of making goods and services that are environment friendly.
The aims of the environmental reporting:

The environmental accounting includes reports on the environment from one hand and also the environmental performance is important from the consumers point of view on the other hand, but the reporting aims of the economic performance is not perfectly consistent with the environmental reporting aims, therefore, Considering the existing limitations in the user’s interests, there is need for more specific reports. Because the profit agencies bear some expenses under the issue of environment, representing an image of the environmental performance encompassing the advantages resulted from the aforesaid expenses, is difficult. Accordingly, many of the economic agencies report the costs of the environmental activities without matching them with the interests note them only as the cost goods and do not reveal them in the financial reporting in an effective way.

The following figure shows the aims of the environmental reporting, revealing the environmental costs in line of maintaining the capital of the shareholders leads to the increase in value of the economic agencies. Although the benefits of such costs cannot benchmark the money, nevertheless make a distinction in the economic agencies as a green industry. And despite advantages in maintaining a competitive market between the similar industries of non-green, by popularity, useful and effective effects on stock prices of these firms will be in the Stock Exchange market, therefore environmental reporting with a closer look should be of interest to managers of economic units, especially units that suffer environmental spending.

The inadequacy of the present accounting:

The common Accounting is not suitable for environmental accounting and is not designed according to the effect of humans on the natural environment; in the following we will briefly introduce five obstacles on the way of the fitness of common accounting and the environmental accounting [8].

The directions of the capitalism: it is a rather new method of organizing the condition of production and the capitalism system is a competitive system whose aim is gaining more profits from the continual transactional activities. Because the aims of capitalism do not necessarily have any relationship with the, environment it is likely that environment get destroyed by the capitalism. It is obvious that present accounting, focusing on measuring the profit, serves the interests of the big firms and their shareholders in the first place, rather than the other stakeholders. The environment is among these stakeholders which has remained unsatisfied.

Commercial concentration: common accounting usually covers a series of records and measurements of the commercial deals and this process in no way does not pursue encompassing the reactions between the community and the natural environment. Actually, the natural world has been redefined in accounting expressions; therefore, the jungles are defined as the asset resources (wood) and not as the home of the wild life.
The weather and water are considered as free goods. In more simple words our relationship with the natural environment, in the best case scenario, has been neglected and in the worst case scenario, it has been seen as opportunities for global exploitation and making money. The environment can be seen from the accounting point of view, only when it is expressed through numbers.

Reliance on the neoclassic power: the theory of incomes, economic information, market studies, the model of the principle agent and the agency theories have all been based upon the neoclassic paradigm and the neoclassical economy has close relations with capitalism. According to the neoclassical accounting, many social, organizational, and political facets of accounting have been neglected in several ways. The numerical quantity: accounting relies on numerical quantities. Berkin (1996) asserts that "numbers are useful as abstract concepts but cannot contain a complex combination of interrelated events even within the world of commerce." And it can be said that the sheer success of the mutual accounting has become limited, in a way that today, measuring many of the computations through non-monetary indexes has become possible. [8]

The technical methods of accounting: Manders and Borrit (2011) showed that some aspects of accounting (like the separation of the personality and the work stage) have decreased in relation to the natural environment and are not functional anymore. As an example, the concept of the separation of personality is created artificially by the people and firms in the society which means the “accounting of units”… the commercial units, including firms, legal and intangible institutions are always in the process of change and have indefinite boundaries and the lateral effects outside these units have been neglected; also it is likely that the transaction among these units and the environment has not been specified and as a result, they have not been recorded. The duty of the financial course is dividing the financial course into discrete and artificial courses which commonly are annual courses. So, accounting for the firms and companies is clear in short-term direction while the environmental issues like global warming are long-term problems [8].

The operationalization of the environmental accounting:
The stages to operationalize the environmental accounting consist of 10 stages which are going to be briefly expressed:
Stage 1: First, after an investigation of the environmental effects, the performance of the firms is investigated. The material and the energy are the input effects of the firm, flow in it and then exist in the form of goods, services or wastes. In this process of input-output, the most waste is produced in the flow stage and the legal responsibility of the firm should be expressed clearly in respect of the environmental effects resulted from the firm’s operation. Then the amount of the principle amount of material and energy is determined, and the result of this analyzing stage is called input-output or biomaterial.
Stage 2: Now, the expenses of the firm must be identified and some information about their diversity, dispersion, distribution and their causes must be gathered.
Stage 3: In the flow of the material and energy, all the non-financial information of the firms must be reported because these parameters are more relevant and understandable in relation to the financial criteria. This process supports the employees whose performance has a positive relationship with environment (in rewarding way)
Stage 4: In this stage, after tracing the environmental expenses, a report is prepared which means that the expenses of identifying in the second stage must be recorded here in the accounting system framework. These expenses include the expenses within the firm which have been probable before.
Stage 5: The sensitivity of the decision-making models used by the firm regarding the environmental expenses is studied.
Stage 6: The intervention of the environmental aims and non-financial performance are essential in budgeting and evaluating the performance the firms. In this stage, the environmental issues are taken as strategic aims.
Stage 7: In this stage new and better ways of dedicating the environmental expenses to the products and processes and organizational institutions must be invented. Using the costing based on the activity and management decreases the environmental expenses and improves the environmental performance. Implementation of the management based on activity is very important in the stage of product process designing and More than 90% of the expenses can be identified by means of it.
Stage 8: The domain of the environmental accounting can be expanded through the analysis of the life-cycle and the chain of value. In other words, form analyzing this cycle, the expenses and the environmental effects of the inputs and outputs of the firm can be determined.
Stage 9: The environmental reports must be revealed and uncovered at this point and the society must be aware of the responsibilities of the firm in relation to these expenses. These reports can have an advertising aspect for the firm and increase the popularity through commitment to using the resources and the environment.
Stage 10: The aims of the organization must be accounted for the consistent development. Today, we should be able to guarantee the continual improvement of quality of life in the present and the future and this endeavor is nothing more than environmental superiority. In the environmental superiority were focus in on increasing the functionality of the resources and destroying or decreasing the wastes and contaminations. Also, the consistent improvement adds some other aspects to “bio functionality” which includes the aspects of work (doing
commercial activities in the domain of globe capacity), distribution (how interests and costs are distributed among people) and the sharing of these assets among the present and future generations (assets among generations). So, implying the environmental accounting identifies the hidden expenses and promotes the understanding about it and the principle aim of this accounting, which is ensuring about identifying all of the related and important expenses in commercial decisions, is achieved.

The costs, calculations, discoveries:

Mises (1990) in his landmark lecture which was a start in the socialism calculation discussion showed that if the production means are under the public possession, the rational economical calculation would not be possible. Hayek (1945) believed that the economic issues are fundamentally different from the complex problem of modification raised in this theory in which the socialist economy is able to calculate them. Hence, even if a socialist economy could deal with the rational economic calculation in general terms, the private possession institutions were the requirements of creating the needed information. The economic issue is related to the use of the knowledge distributed and shared in the society and effective use of this knowledge is possible only through the exchange process in the market. The prices decrease the needed knowledge for rational calculation. Hayek (2002) also believed that competition is a discovery process that has implied and detected the information which single mind can understand it. The market is a trend for discovering the facts that otherwise wouldn’t be existent or remained unknown. So we need the private possession for calculating the rational economy.

The carbon accounting clearly provides us with a way in which we may discern whether the resources are rationally used independent of the function of the prices. All the same, this method is different from the financial calculations in important ways. The monetary calculation decreases the severe cognitive pressure existing in the fact and enables us to order the surrounding world and interpret it. The monetary calculation represent "a guideline for massing through this unbearable amount of the economic potential chances and enables us to estimate the value of the goods ready to use or in the base case scenario, the produced goods from the lowest level to the higher level goods. The monetary calculation makes calculating the value of these goods possible and through this process get a basic foundation for all the economic activities of the higher goods. Without monetary calculation, all the productive activities whose processes are extended with time and all the deviating and longer processes of the capitalist product are nothing but a blind walk in the dark.

Attempts to calculate based on the carbon that is not exchanged have been based on the blind walk in the dark instead of being explained based on the exchanged money. Determining the costs about the contamination permits are coupled with the cost mechanisms. But as McKay and Block (1994) have argued this procedure will encounter the same problems that the market socialism may encounter. Even if the costs can be corrected the central power cannot get aware of the proper amount of contamination.

The idea of the carbon accounting with no reliance on the monetary calculation, affects the final expenses and interests which can be detected only through the competitive process. Different types of plans with environmental sensibilities are based on a cut of economy or social system whose final ends are maximizing a social welfare function or achieving the highest level of a value unit. Despite this fact, the economic system is a process with which we determine whether to imply our resources for producing the most profit with the least expenses and the competitive system based on the private possession rights, is a system which accepts the existence, importance, and the (important) place of the aims and the values of the rival ; according to this social system, the product based on the private possession of the product means, is the only possible system that can be truly “economic”. The consequences can’t be predicted per se but this is the mutual modification process of market changing conditions that creates the maximizing features of the wealth and the minimizing features of the cost in the market economy.

The prices provide the important information which people need for rational decision making, but are not able to solve all the environmental struggles because some things are not placed in a particular person’s possession. If the resources are without owner, and as a result, being outside the price system, the information needed for evaluating the costs and the interests of the different plans, wouldn’t truly exist. The problem is not only that the environmental issues are difficult or complex, but the problem is that in the lack of the price and profit and loss, the needed information for expressing the meaning of the environmental responsible contribution wouldn’t be available and experiencing such a thing wouldn’t be possible at all.

These points have obvious references to the appropriate units. Coundatto (2004, p. 4) describes the attitude of the Austrian Proxilogic in this way: "...social functionality is evaluated based on a degree of adaptation that the legal institutions create among the activists and their selected instruments in achieving their aims". If the prices and the private possession rights don’t exist, this consistency wouldn’t be possible. Brut land (2006: 15) has an obvious position in this regard. He claims that "without private ownership and money exchange, no capitalist calculation and rational instrument would be possible in order to conserve the assets and the incomes for the present and future generations." (The emphasis is for the original text). The calculating issues have some other effects on our understanding from the “consistent development”. In order that this concept is meaningful,
it must have some fundamental proxilogic in it. Taylor (2004:4) states that perhaps the thing which is being consistent wouldn’t be so valuable for those who are not born yet. As stated by Steven Lindsborg (1996), who are we to say that our children prefer a jungle to the income of a parking? Also as Lindsborg and others stated, as the future generations would be almost certainly wealthier than us, conserving the values for the future generations is redistribution among a generation that consists of poor individuals. If we accept the positive discrimination in favor of the poor, our belief in this regard would be even steadier.

Non-price calculative means don’t provide a basis for rational analysis, calculation and action; because the neglect the market (Brut land, 2006: 21). Maintaining and increasing the value of the private asset, has a direct profit for its owners. In addition, the capitalist process ensures that in any time scale, the best response to the example. Reed in his writing has argued that in a world where knowledge is distributed among many individuals, the effective way to exist from this damn rock, we should increase, and not decrease the speed of exploiting the resources.

Even problems like global warming that involve common actions on the global scale do not have organized solutions. The tough conditions for liberty are not justifiable conditions for power and any detailed political solution for the global warming must show that it has the ability to control the problems related to the general choice central to the government actions. To determine the potential damages of a particular action is not the same as their measurement and determining how much each person has to do in creating them. The expenses for this determination for each pollutant can be preemptive. These transactional expenses do not mean that solving the present problems is impossible. As long as the security of the private possession rights is maintained, the one who really respects the green landscape or believes that people make a stupid mistake by destroying this space, are free to act upon these prefers and beliefs. Some of the intergenerational equality based arguments disagree with the use of reduction rates and believe that the way we deal with the future utilities should be like the way we chose to encounter our own utilities; but a proof by contradiction shows that such a thing is not defendable. If we shouldn’t really decrease the future, then our environmental problem wouldn’t be the finishing of the resources of planet earth, but that one day the sun would be exploded and would destroy anything in the solar system. This fact leads us to the conclusion that now we are searching a way to exist from this damn rock, we should increase, and not decrease the speed of exploiting the resources.

The calculative problems also have a clear illustration in subjects like recycling. The basis used by individuals in favor of recycling is that the energy is preserved from the new goods in fresh and genuine materials. This has become a core topic in the training program for children as stated by the report on "energy for children" prepared by the US agency for energy information. Almost always producing an item from recycled materials consumes less energy in relation to producing them from new material. For instance, the use of recycled bits of aluminum in producing new aluminum cans consumes 95% less energy than the aluminum production from the Bauxit stone which is the raw material for making aluminum. A similar claim is expressed about the trees. Producing one ton of paper from recycled material can prevent the cutting down of 17 trees and uses 50% water.

The Mises views regarding the economic calculation shows the liability of the skepticism. Firstly in these data, saving the energy as a result of using the “recyclable pieces” and “recyclable material” is confronted with the costs resulted from implying the ore, trees and water. In these data, no reference is made to the costs and interests related to the energy in the recycling process of converting the cans and papers to the recyclable pieces and material and it can be only supposed that these costs and interests are perfectly expressed and justified; secondly, this argument has a blind point; because it is unaware of the effects of the profit motivation. Let’s suppose that producing aluminum can from the recycled aluminum from the beginning till the end, consumes 95% less energy comparing to producing a can with raw material. I have supposed that this number involves the mining, refining and carrying the raw material, so this number is almost definitely estimated extensively. The energy is valuable. Should we believe that the greedy and avid capitalists frequently neglect a 95% reduction opportunity? Even if we suppose that the 95 is a correct number, there are countless other factors that we should take into account. Calculation of the "carbon effect" is a peculiar step and involves a knowledge that cannot exist outside the price structure. The classic paper written by Leonard Reed which was "I, pencil" can be taken as an example. Reed in his writing has argued that in a world where knowledge is distributed among many individuals with different motives, cultures, and objectives, no one is able to describe the stages in producing a pencil while billions of pencils are produced each year. The same point in the carbon accounting shows that it is impossible to direct full attention toward any activity. Regardless, the system of profit and loss makes the full calculation of the costs possible despite the safe private ownership rules. Science can measure some aspects of the production processes but even these measurements create a knowledge that has a very weak and unpleasant
nature. Following Grison (2000) this topic can be simplified by dividing the structure of production into five stages which are mining, refining, producing, distributing and retail. It is possible to measure the use of energy and carbon in certain process of the procedure used in production. For instance, the carbon from a truck that carries the soda cans from the stores to the supermarkets is easily measured. However, what creates this ease of measurement is only one part of what is actually produced in the process.

Consider the production process that a bottle enters to our refrigerator. It is probably possible to measure the amount of the CO₂ created in the process of production and activity of the existing instruments in the enter section of the drink to the bottle; but is this true about the CO₂ released as a result of the workers walking the distance between the factory and their homes? What about the CO₂ released for stewing a morning coffee of this valuable work or for producing this coffee, bringing it to the store and then carrying it to home? These activities release carbon as the cases which are immediately observable. Any attempt for “carbon [non price] accounting” encounters the same problems which a planning committee faces while trying to share the rare and with no owner producing factors and this would be a very complex problem; because the needed information for doing the rational calculations are lost. The advantage which is considered to be in the assumption of non-ownership and calculating with carbon criteria and not with the money criteria would bring about some severe problems. Salerno (1990, p. 38) indicates a problematic effect of general ownership which can even go further than the well-known tragedy of the general goods. He uses what Mises has claimed, which is, ”Socialism is the inaction of the relational economy” to argue that the absence of financial calculation means the suggestion of our common humanity and this leaves behind some problems in dealing committedly with the problems of the natural environment.

While it is impossible to construct and maintain the structure of the capital in the absence of the monetary calculation, the economy of human in the socialist system involves the extremely short and repetitive domestic processes that employ the minimum capital and do not have sufficient opportunity for adapting themselves with the new wants. The result is that the time does not play a role in proxiologic meaning in distinguishing the present and future in human facts. The male and female, in their very difficult survival and without any capital, experience the time in a passive and not active way and as a mean for planning and act, but passively and as the sheer consistency. Hence, the humanity as a very cognitive force in the world is necessarily the result of the calculation and capital events whose link can’t be separated; so socialism not only destroys the economy and the society, but also the human mind and soul in a meaningful way.

Political indications:

The advocates of the carbon accounting point to an important matter. There are some benefits in trade and no one takes any benefit from them because some of the valuable features of the goods and services are not owned by anyone. Thus, no price is given in these cases. The planning schemes based on measuring the carbon effect, create a more severe problem instead of this issue. Clearly, neglecting the price mechanism destroys the information needed for producing and consuming. This problem can be alleviated through decision making according to the exchange in market and improving the private possession rights in places where they are weakened. Obviously, eliminating the limitations of construction and privatization all the things that have become socialized can decrease the environmental losses and increase the economic functionality.

Glaser and Kahn (2008) are of the opinion that reducing the limitations about housing in California is a good starting point in this connection. The annual amount of the carbon dioxide release in the western coast is the least and is the most in the south. In Boston and New York is less than the suburban areas while around Los Angeles the release is even less than expect (Glaser and Ken, 2008 :1); for example, the estimate that the annual additional cost resulted from the release of carbon dioxide from a house in Boston, is almost 500 times a house in S.Fransisco. They attribute this mainly to the better weather of the coastal region of S.Fransisco. Even despite the attention these two have paid in their work. Their knowledge is weak and unsatisfying because they note that haven’t include the release of carbon in their work. The restrictions implied on the use of earth. Exactly reverse the activities which are consistent with the intelligent contribution of the environment. The lands in California and New York which are more valuable for constructing buildings are specified to grain production; while Texas lands which are more valuable for grain production, are employed for building houses.

Glaser (2006), Glaser and ward (2006), and Glaser and Giorgio (2003) and Glaser et.al (2005) believe that the limitations imposed on the ground has increased the price of houses artificially in areas like Boston, California, and New York. As Powel and String ham have showed the laws regarding the buyable houses cannot be adequate. In reality, the estimate by Means and String ham (2009) tells us that these cases in cities from the state of California that have used them have increased the housing prices and reduced the amount of houses available. Reducing these limitations helps us shoot two birds with one stone. We may get cheaper houses that ask for less money in managing them and bring about less damage.

Roberts (2001) explains the process of seeing whether the cans of soda drinks have been filled less than expected in this way: an instrument shines the Gama Photon waves at an appropriate height over the cans and a crystal sensor on the other side counts the number of the photons that have passed. If the number of the photons
that are passing is too high, this means that the cans are not full. In this way, they move out of the line not to enter the six package of the product. Perhaps it is a good idea for the meticulous environment activists to try to reduce the dangers instead of focusing on the recycling of the cans. The research and development that reduces the amount of the leftovers can directly affect the net income of the agencies. Then, it is possible to measure the degree of help that they offer to people who want to treat the earth in a better way. The side effects of the environmental contamination are rooted in social gathering of the wastes (Block, 1998). It means that the prices which are asked for gathering the wastes do not reflect the costs and profits of this work. The solution for this problem is imposing the private possession rights in a more effective way; however, this may lead to the evacuation of more wastes. The investing opportunities lead to social innovations. Decision making on these issues in the market exchange framework, subject them to a process through which the costs and interests become detected.

**Conclusion:**

We are witnessing that in effect no controversy has arisen with respect to the defined concepts and the question of caring for the natural environment and the carbon release. Of course, paying attention to the environmental subjects is obvious for many viewers and they believe that to decrease the amount of carbon which is released we have an ethical responsibility for recycling and preserving the natural resources. Nonetheless, the problems that must be solved due to these ethical responsibilities grow lighter with price structures. Among the issues that the price mechanism cannot control, the absence of private ownership has caused us to lose the information necessary in making rational decisions. In fact, the correct interpretation of the environmental issues must adopt a human-centered outlook and not an environment-centered outlook.

The question of calculation is as important to the environment activists as it is to the socialists. Mises (1990) believes that each step that takes us away from the private ownership of the production instruments and the use of money also takes us away from rational economy. This can be reformulated about the environment: if we move away from the private ownership of the production instruments and cash calculation, we also move away from the commitment and rational interaction with the environmental issues (Art Cordon).

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