

# The Conservative As Environmentalist

By John Shanahan

Can a conservative be an environmentalist?

My environmentalist friends tell me the answer is no—that the goals of conservatives and environmentalists are irreconcilable. That idea is not only wrong, but tragically wrong, because it blinds environmentalists to the fact that conservatives, through their understanding of markets and property rights, actually have proposed better ways to improve the environment without the unnecessary costs that typify proposals from many environmental organizations.

Let me begin by making some things clear. I am a conservative! This means, among other things, that I believe in minimal government regulation, minimal governmental intrusion into the lives of citizens, and fiscal restraint in the taxing and spending of the hard-earned wealth of the people. I also believe that command and control methods of governing in general are economically inefficient and anathema to a healthy and free society.

I am also an environmentalist, or to use my preferred term, a conservationist.

Contrary to the impressions conveyed by some environmentalists, conservatives gain just as much from clean air as anyone else does.

We do not have secret meetings at which we breathe exhaust fumes:

Nor do we have special skin that magically resists cancer from an excess of sunshine due to depletion of the ozone layer.

Nor do we like to build our houses on toxic waste dumps.

In other words, we have nothing to gain from environmental degradation, and I am not here to defend it. To the contrary, I believe in the importance of clean air for people—including myself—to breathe, clean rivers for people to use, and freedom from involuntary exposure to cancer-causing chemicals.

I believe too that our nation should make polluters pay the real costs that their pollution imposes upon society. That would give polluters tangible incentives to conserve non-renewable resources and to use renewable resources in a wise and responsible manner.

**Fundamental Objective.** I am a conservative environmentalist because, while I believe in the fundamental objectives of a clean and safe environment, I am concerned that some ill-conceived forms of protection unnecessarily threaten the jobs and health of ordinary Americans without any appreciable benefit to the environment.

Thus what differentiates me, as a conservative environmentalist, from some other environmentalists is this: while we environmentalists can broadly agree on environmental objectives, I mean to achieve them with the fewest working men and women getting pink slips and with the least intrusion into the lives of the Americans. Moreover, as a conservative who understands how

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He spoke at a meeting of the Lincoln Caucus, Phoenix, Arizona, on November 19, 1991.

ISSN 0272-1155. ©1991 by The Heritage Foundation.

markets work, I believe I know market-based ways to protect the environment more effectively with less economic side effects than leftist environmentalists.

**Conservative Battle.** Unlike some environmentalists, I also think that it is sensible to strike some balance between production of goods and services and environmental protection—and that good policy should try to have as much as possible of each. Here let me make a confession. Much of the conservative movement has erred on the side of emphasizing economic growth while ignoring the extent of our environmental problems. To protect the economy, we conservatives have fought the environmental movement step by step, and we have lost step by step.

I can tell you why.

It is because environmentalists have had the moral high ground, even though they have not provided the most beneficial solutions. People care about the world, and they saw it being polluted around them. They saw their rivers running brown with filth. They saw open dumps that spread disease, hazardous chemicals being thrown into pits and simply covered with dirt. They heard of the impending extinction of numerous animals, and, of all creatures, the bald eagle—the symbol of America itself.

And through it all—and you're not going to like this—we conservatives often were on the wrong side of the fence, the wrong side of an emotional issue. And through it all—and this is painful for me to say—we often were on the wrong side of the environment.

Most conservatives, facing a changed and limited world, accepted implicitly or explicitly the defense that the rivers and the air were free to use because they were public property. They implied that putting any price or restrictions whatsoever on the use of these resources was uneconomic and threatened jobs, that the additional cost would reduce their profits unnecessarily.

**Perverse Incentive.** What leftists understood and the public at large understood was that publicly owned goods, free of constraints on usage, will be depleted over time. Garrett Hardin, Professor Emeritus of Human Ecology at the University of California, in his seminal 1968 work, "The Tragedy of the Commons" showed that when a good is publicly owned, or "owned" in common, no one has an incentive to conserve or to manage the good. In fact, there is a perverse incentive to use the good inefficiently—to deplete it.

Let me give you an example. I was told a short story a few years ago. It goes something like this.

When Europeans came to the America's eastern shore, the Northeastern Native Americans used all the lands in common. They killed animals for the meat or furs that they needed for their own personal subsistence. The Europeans, however, valued furs greatly, and were willing to offer many valuable goods in exchange for as many pelts as could be supplied. The Chippewa in Canada, for example, who had never before overhunted their domains, were suddenly given the incentive to hunt more and more game, despite the fact that they were not hungry and had adequate clothing.

A fur became valuable, but no one owned the game and no one regulated the hunting. Wildlife became scarce because each person, Native and European, had an incentive to shoot or trap an animal before the next person did. If they decided to let a scarce animal breed rather than kill it, they forfeited something of value yet reaped none of the rewards from their responsible conduct. Someone else either killed the animal or killed the offspring, reaping all the benefits. Slowly but surely, the local game population was depleted, and widespread starvation among the Indians ensued.

Some North American Natives, however, realized that if they were to survive, they must conserve the wildlife to ensure a continued supply of meat and fur pelts. To ensure a renewable supply of pelts, they staked out beaver lodges and other lands as their own exclusive domain to permit the game to breed, protecting them from other hunters. This marked the beginning of *de facto* property rights for the Chippewa. The beaver and other game populations slowly rebounded and the Natives prospered because they had an incentive to conserve and protect the valuable game to ensure a plentiful supply for the future.

The moral of this story is twofold.

First, if a good is owned in common, no one owns it and it will be depleted even if it is a renewable resource. Second, if there are incentives to conserve resources, then people will conserve out of self-interest.

When it came to certain resources like the air and water, conservatives have tended to ignore the first lesson, and consequently lost the opportunity to implement the second.

We left ourselves wide open to the groups made up of people that are sometimes referred to as watermelons—green on the outside and red on the inside. We left ourselves open to the human haters, who would like to see the planet purged of the disease called humans.

**Market Counterattack.** Reasonable people came to believe that they had a choice of either supporting the environment through costly regulations or supporting economic growth and letting the environment go to the dogs. They saw no other alternative. Conservatives fought the green movement by trying to block the regulatory initiatives. This made sense and was right. But our problem was that we stopped there. We should have gone further. We should have accepted the premise that the environment must be conserved and then we should have counterattacked with market solutions — suggesting ways we could best protect our common resources by providing incentives to individuals to act responsibly.

Lacking alternatives, otherwise responsible people have joined the calls for costly, inefficient command and control regulations which often do not address the real environmental problems. These people now equate regulation with responsible behavior, when in fact it is paternalism, taking responsibility away from the people. The worst fallout has been that an entire generation is growing up thinking that conservatism means greedy self-interest and pro-pollution, with television cartoons Saturday mornings portraying all industrial development, and even humans themselves, as evil.

The debate over environmental policy rages and we are not part of it.

Now that I've raised your ire, let me state that conservatives' actions were understandable at the time. Our laws and property rights were predicated on the existence of unlimited resources, and when the law was formed, those resources were unlimited. Smokestacks were seen as economic vitality, not irresponsibility. The environment was not something that was highly valued by a great number of people.

But the world around us has changed, becoming more limited with each year, and environmental protection became more important to most people.

The mistake we made as conservatives was not that our philosophy was wrong. Our mistake was that, in this one isolated area, we were inconsistent with the principles that define our movement: that decisions should be left to individuals who are accountable for their actions.

Conservatives were collectivists when it came to using environmental goods. Our stance was perfectly logical when many resources could be treated as unlimited and the damage done by economic activity seemed minor and unimportant compared to the resulting benefits.

**Time to Change.** But conservatives failed to notice the changes taking place in recent decades. We were blind to the need to create a structure which allows the market to allocate environmental goods as it does other goods. It is time for conservatives to recognize that by abandoning the debate as credible participants, we have allowed these strangling regulations to breed. It thus is time for conservatives to change our way of thinking if our principles are to prevail.

Okay, the damage is done.

Now what do we do about it? How do we reverse the regulatory trend?

To reverse the trend, it is necessary to understand how conservatives can be environmentalists without ideological conflict, to realize that conservative principles are not incompatible with environmental responsibility, and that, in fact, we all are environmentalists.

I would like all of you to answer for yourself the following questions. Do you like clean air? Do you want to be safe from cancer-causing pollutants? Would you be bothered by the extinction of the elephant or the bald eagle?

I'll wager that almost all of you answered yes to at least one question.

Okay, we're all environmentalists.

But what does this really mean?

If we're all environmentalists, why is there a difference of opinion concerning proper public policy on the environment? Obviously, as with most issues, being an environmentalist does not mean we all agree as how best to solve environmental problems. It does not mean we all agree on priorities.

**Asking the Right Questions.** I am going to outline some free market environmental solutions or answers in a moment—but first I have to start at the beginning, namely, what are the questions?

Does being environmentalists mean that we should ensure that humans have no effect upon the trillions of ecosystems in the world? Does it mean that we must ensure that the climate does not change at all? If we don't allow for some change, is this defying Mother Nature's scheme of things, since in the billions of years when there were no humans on the planet, the climate and chemical composition of the atmosphere fluctuated?

How do we solve our solid waste problem? Is there a problem? If so, what is its nature? Should we demand recycling or even encourage it? Does our current system of garbage collection encourage recycling?

Does carbon dioxide cause global warming? If so, how much warming—half a degree? Ten degrees? Over what period of time? Would the increase slow or stop on its own? Will plants thrive better in a carbon rich environment? Will global warming mean vastly increased agricultural production without increased pesticide use, helping to solve world hunger?

Should we even be worried about pesticides? Certainly they've increased world food production, but with what harm to human health? Do the tests that show cancer-causing attributes for some pesticides mean we should ban those pesticides? Bruce Ames, Professor of Biochemistry and Molecular Biology at the University of California at Berkeley, and the scientist who is large-

ly responsible for the way we identify cancer-causing agents, has now reconsidered his position. He says that the procedure our government scientists use to test for carcinogen levels grossly overstates the cancer risk and even identifies as carcinogenic some agents which are, in fact, probably not.

Finally, what should be our environmental priorities? With our limited economic resources, how do we decide which environmental problems should be solved? How do we decide on the best mix of economic development, environmental conservation, and preservation?

Now that you have had these many questions thrown at you, I'd like to sum it all up with another question: If we don't know the right questions, how can we expect to know the right answers? If we can't even agree on whether environmentalism means keeping the world safe for the needs and values of humans or if it means having a planet untouched by man, how can we all agree on the solutions?

The obvious answer is that we can't.

**Incorporating Human Values.** Conservatives maintain that any rational discussion of what constitutes environmentalism must incorporate human values, wants, and needs concerning the environment. Environmentalism is a meaningless concept if we attempt to define it in terms separate from what people believe is important. By incorporating these values into our definition of environmental responsibility, we can better determine what questions to ask.

To incorporate our values fully into our dealing with the environment, we must have a means by which to realize their preferences—a way to reflect commonly held beliefs and to set priorities for all the competing preferences. History has shown that the best way to put goods to their most highly valued use is through the marketplace. This is how material values are best realized and maximized.

If land next to my home is more highly valued to me as a wooded estate than it is to you as a widget factory, I will pay more than you to acquire it. If I value tender, juicy beefsteaks and am willing to pay for them, this gives someone the incentive to breed cattle to provide steaks to me for profit.

All well and good. But how does letting markets function protect the environment?

**Saving the Elephant.** Let's return to the question dealing with the threatened extinction of the elephant. Would the marketplace protect them? The answer is, not only would it protect them a lot better than the international ban on elephant ivory currently in effect, the marketplace would probably actually save them from extinction.

A brief history of the facts:

In Central Africa, from 1979 to 1989, one decade, the elephant herd population dropped from about 500,000 to 275,000. East Africa's herd population dropped even more dramatically during the same decade, from 546,000 elephants to 155,000. In government-owned East African game parks, 56 percent of the elephants were killed or died. Some projections show that elephants could be extinct in East and Central Africa as early as the year 2005.

In the late 1970s, the government of Kenya banned elephant hunting as a means to save the species. The result, unfortunately, has been a continued reduction of the elephant population from 65,000 to 19,000.

Now let's take a look at Zimbabwe. Over this same period, it witnessed an increase in its elephant herd size from 30,000 to 43,000. The difference between Zimbabwe and Kenya is that Zimbabwe not only allows, but encourages hunting. This probably surprises you given that it is Zimbabwe's herds that are increasing. Yet it is true.

The usually small Zimbabwe villages that own the lands on which elephants live and graze charge safari operators for the right to conduct hunts. The villages profit directly and thus have an incentive to promote herd growth to increase their income. They further have a strong incentive to prevent poaching, because poachers cost the villagers income.

Poachers in the countries that have banned hunting create a classic situation of the tragedy of the commons. Elephant herds are decimated because poachers have an incentive to kill them as quickly as possible. Nobody individually benefits by foregoing its use. Perversely, in countries that have banned elephant hunting, villagers have an incentive to assist in the eradication of what otherwise many consider to be a pest. After all, elephants compete with villagers for scarce resources in the harsh environment of Africa.

**Reward for Conservation.** Zimbabwe, as well Botswana, Namibia, and South Africa all reward the conservation of elephants by letting the conservationists profit from their protective behavior. And in each country the herd sizes are increasing.

Profit comes not only from safari operators. Elephants also are shot by hunters or culled from herds to ensure enough food for the remaining animals. The elephants that are killed are skinned, their tusks are cut off, and the meat is butchered and sold. The skin is made into boots and the ivory carved into statues and other items. The entire animal is consumed, making each elephant more valuable to the society and more valuable to conserve.

By contrast, because the poacher must act quickly for fear of being shot himself for his crime, he will often use a buzzsaw to cut off the ivory tusk as close to the skull as possible as quickly as possible and flee, leaving the carcass to rot.

The international ban on the ivory trade penalizes those nations that have set up responsible market structures which encourage conservation. This ban should be lifted and nations outlawing hunting should set up systems similar to Zimbabwe's.

Two other environmental problems that can be solved by a market approach are, first, the problem of overfishing and, second, the polluting of our nation's rivers and streams.

**Fishing Rights.** The British solution is instructive. In Scotland, virtually every inch of every major river and most minor ones is privately owned. Owners of fishing rights on various stretches of the rivers charge others for the right to fish. These rivers are not overfished because it is not in the owner's best interest to allow the fish population to be depleted. He wants to continue charging fishermen for the foreseeable future, so he conserves his fish stock, allowing them to reproduce, and he prevents pollution from entering his stretch of river. If a municipality pollutes the water upstream, the owner of the fishing rights can stop it by suing for an injunction.

We should adopt the British example to save our waterways from further pollution and overfishing. This approach will not infringe on people's rights. On the contrary, it will protect rights. This approach also does not require billions of dollars in scarce government resources. And best of all, it would protect our nation's waterways better than regulation.

This concept of ownership can be extended to the oceans to protect fisheries, which currently are being overfished. The National Oceanic and Atmospheric Administration, known as NOAA, has tried dozens of solutions to solve the problem. NOAA has tried to limit the number of days

per month that a boat can fish. So what happens? The fishermen simply send out more boats and improve the speed of their operations so that they catch the same amount of fish in less time.

To reduce the fisherman's efficiency, NOAA has required that fishermen cut holes in their net so that many fish can escape. So what happens? The fishermen just make technological improvements to overcome the liability. Tremendous wastes of manpower and resources are incurred to make the fisherman less efficient at his job, and yet the problem still exists.

One method to solve the overfishing problem is to use a system of individual tradeable quotas, or ITQs. This is how it works. First the government determines how many fish can be caught without depleting the stock. Fishermen then buy and trade the ITQs, which allow them to fish a certain percentage of whatever the government designates as the total catch. They then have the incentive to catch a given amount of fish in the most economical manner possible. It is not a pure market solution, because the government still acts as the steward of the fisheries and is therefore subject to political pressures. But at least it introduces some of the efficiencies of the market into the equation.

Actually, there is discussion in government circles now about introducing ITQs. This would be a great improvement over any solution attempted to date. It would protect the fisheries and reduce the economic burdens on fishermen, burdens which drive up the price of fish. Even in supporting this measure, however, it is important to remember the lessons of the past and continue to search for better solutions more closely reflecting the pure market, where final decision making rests with the individual.

**Tracking Pollution Sources.** There are market-oriented approaches for reducing air pollution from fixed point sources such as factories. One such approach uses advanced technology that actually can identify from which factory or source a pollutant originates. Although the technology is not yet fully developed, our existing ability to map atmospheric chemical concentrations from orbit suggests that we might in time be able track individual point source polluters, each of which would incorporate an identifying "fingerprint" molecule to emissions, the same principle used when brands were put on cattle in the old days. Harmed individuals could then sue polluters under the common law of nuisance.

For mobile pollution, the regulatory approach to reducing air pollution from automobiles has been extremely expensive for the results obtained. This is because the regulatory burden falls entirely and equally on all new car owners, whether they purchase more polluting cars or less polluting cars. This gives consumers an incentive to drive their more heavily polluting older cars for a longer period of time. It also provides no incentive for people to reduce auto pollution by getting their cars tuned regularly.

A solution might be found in a device developed by University of Denver Professor Donald Stedman. The device functions like a radar gun; only rather than measuring the speed of a car, it identifies the amount of pollutants emitted by the car. Cars could be taxed by local governments according to their level of emissions. This would not only provide incentive for people to keep their cars tuned, but would also make owners of older cars bear their share of the burden of reducing total output. Best of all, this approach could be used to target those areas of the country, such as Los Angeles, which have the most serious problems, without penalizing new car owners living in non-problem areas.

**New Conservative Message.** This is not a pure market solution. Yet it is a tax that at least somewhat mimics the market by holding those responsible for pollution accountable for the costs of its reduction. It makes the polluter pay.

So where is this leading us?

It leads us to a new conservative message on the environment. This new conservative message should be: Make The Polluter Pay.

The polluter should bear the total societal cost of his resource use and environmental degradation. But he should also reap rewards for conservation and environmentally sound practices.

This approach rests on economic accountability. We must create a system in which people are economically accountable for environmental values and goods when using resources, just as they are for other values and goods. Owners of resources, because they are economically accountable for their actions, are wise and responsible stewards of their property. On the whole, they will automatically choose the best mix of development, conservation, and preservation. Furthermore, they have tangible incentives to protect their properties from pollution by others.

The government, in contrast, will not act as a wise and responsible steward of our resources because it is not economically accountable for its actions. If elephants die, if rivers are polluted, if resources are misused, individual bureaucrats do not suffer direct economic consequences. Politicians are only politically accountable, which means they often make decisions based on pressure from interest groups.

**Setting Priorities.** As individuals, we may not know all the questions. But the free market can incorporate all of those values that people hold dear, setting priorities that best meet people's needs, and requiring individuals to pay for what they receive. The market, by making the polluter bear the costs of his pollution, gives individuals personal incentives to understand the environmental needs and concerns of others, and to meet those needs whenever it is in society's and their own best interest.

The challenge to conservatives is to seek market arrangements whenever possible to provide environmental values and goods, and to pressure our local government and state legislators to use a free market rather than a command and control government approach to environmental problems.

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