
# A Vision for Environmental Policy

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As America begins to address the problems of the 21st century, few issues loom as large or as contentious as environmental policy. The debate, however, is not new: it builds on policy debates on the environment that evolved throughout the 20th century.

During that century, two different policy attitudes dominated. In the first half, the focus was on promotional policies. The role of government, it was argued, was to "assist" in the rapid development of resources—forests, minerals, energy, and water. Government would either own or regulate these "national" resources, and taxpayers would subsidize their development.

The results of these interventionist policies were detrimental to the environment. Lawmakers tended to neglect both the risks and the costs of such development. Whether the Tennessee Valley Authority, the Bonneville Power Administration, subsidized grazing and forestry, or unsustainable western water policies, government programs emphasized expanded supply—regardless of costs to the environment and to society.

Partly as a reaction to these problems, precautionary policies dominated the second half of the century. These policies tended to focus on preserving and conserving everything and to emphasize the value of the status quo over change. That emphasis led to the enactment of the Endangered Species Act and to the establishment of wilderness areas, nonattainment policies, smart growth, and other antidevelopment programs, as well as to a general disregard for the impact of such programs on local economic conditions.

America is ready for an integrative environmental vision. In *The Environmental Source*, the Competitive Enterprise Institute outlines steps that would advance that vision. The magnitude of this reform, however, cannot be underestimated: thoughtful analyses and effective communications strategies will be essential.

Many policy proposals have focused on elements such as cost-benefit analyses, sound science, and risk assessment. To the American public, however, these approaches often seem cold and uncaring. Reformers are asked, "How can you put a price tag on the environment? Don't you care about the children?" Technocratic answers to these concerns cause policymakers to appear out of touch and, on occasion, even heartless.

Yet there is a morally defensible, principled vision—one that appeals to American values without sacrificing free-market principles or environmental ideals. Taking the environment seriously means also taking private property and other market institutions seriously.

## The Welfare Reform Model

In crafting an environmental reform program, we should look to areas where positive change already has been undertaken. Welfare reform, for example, resulted from extensive research as well as from a series of measures that encouraged state flexibility.

Author Marvin Olasky played a key role in changing perceptions of these issues. He argued that while there might be a role for federal welfare programs, the primary hope for people dependent on them rested in the revitalization of America's decentralized system of state and voluntary institutions.

Like today's environmental policy, federal welfare programs were highly centralized and inflexible. Under the new regime, some states—most notably Wisconsin and Michigan—explored a variety of welfare alternatives. Some of these initiatives worked well, encouraging further reform, and eventually resulted in the bipartisan federal welfare reform bill enacted in 1996.

Environmental policy is at an earlier stage. To date, little public attention has been paid to creative private efforts to improve environmental conditions or to the responsibility of the federal government itself for harmful conditions.

Environmental policymakers must recognize the importance of these private efforts. For instance, they could allow extended leases or outright ownership of offshore reefs or create private fishing rights in rivers, while also providing incentives, rather than penalties, for promoting environmental conservation. Actions such as these would empower individuals to play a positive role in environmental protection.

## A Balanced Approach to Environmental Risk

Another aspect of the environmental question is how to manage risk. Again, we must move beyond the biases that have characterized the promotional and the precautionary approaches of the 20th century. The institutional framework for making decisions about projects and technologies that should go ahead or be delayed or blocked must be established by those who face the risks of innovation and of stagnation.

Precautionary regulations now dominate the rate and direction of technological change in many areas—biotechnology, environmental cleanup, power technology, pest control—and

have focused exclusively on the risks that change might pose to some environmental value. They have placed little emphasis on the risks posed by the failure to innovate. Such risks (while unseen) may be far more significant economically and environmentally.

Current pollution policy tends to rely on centralized bureaucracies mandating a zero-risk world. Ignoring the impossibility of their goal, proponents of this approach view a zero-risk world as one with zero technology, zero industry, and zero human-made chemicals. The result is an antitechnology bias, whereby groups and agencies seek to deny the use of new products until they can be proven safe. They call this position the *precautionary principle*.[1] Because no one can prove a negative, the principle slows adoption of new technology.

For example, some environmental activists want to eliminate risks to children by regulating pesticides, but they neglect the far greater risks posed by the pests themselves. A report by the Institute of Medicine warns that pesticide regulation is making it harder to control vector-borne disease risks that now appear to be on the rise.[2]

These attitudes can have fatal results for people in the developing world. Annually, at least 1 million people die and more than 500 million people suffer from malaria.[3] Many of these victims are children. Those who have demonized the use of pesticides—DDT (dichloro-diphenyl-trichloroethane) in particular—have exacerbated the plight of these victims.[4]

## Principles for Successful Environmental Policy

This book contains a number of recommendations to guide America's environmental policy. The recommendations are based on the following principles:

- *Economic growth is key to environmental protection.* Wealthier nations have greater resources to protect the environment and, thus, are better able to achieve the level of environmental protection desired by all. By contrast, poor nations lack resources and must struggle to meet basic needs.
- *Environmental risks must be examined in a balanced, risk-risk institutional framework.* Many activities—operating a factory, transporting materials, using technology—carry environmental risks with them, but delaying, blocking, or eliminating such activities also carries environmental risks.
- *The government should "do no harm" when it comes to the environment.* In addition to providing perverse incentives, numerous government programs adversely affect the environment. For example: excessive government dam projects have harmed wildlife; farm subsidies have promoted overfarming, and mismanagement of public lands has contributed to forest fires.

1. This definition is one of many interpretations. For more information on the precautionary principle, see Julian Morris, *Rethinking Risk and the Precautionary Principle* (London: Butterworth Heinmann, 2000).

2. Institute for Medicine, *Emerging Infections: Microbial Threats to Health in the United States* (Washington, DC: National Academies Press, 1992).

3. World Health Organization, "Malaria," Fact Sheet No. 94, Geneva: World Health Organization, updated May 2007), http://www.who.int/mediacentre/factsheets/fs094/en/index.html.

4. Richard Tren and Roger Bate, *When Politics Kills: Malaria and the DDT Story* (Washington, DC: Competitive Enterprise Institute, December 2000), http://www.cei.org/pdfs/malaria.pdf.

- *Private property owners are better stewards of resources than are public officials.* The principle is simple: if an individual owns a resource, he or she has a stake in its management and protection, and cares for it accordingly. Government property lacks individual stewards and is managed by the dictates of politics, which usually lead to environmental damage.
- *Private property owners should be compensated for regulatory takings.* Private property is the essential element for conservation and the key to the American dream. Federal, state, and even local bureaucracies threaten that dream by restricting private management. At a bare minimum, government agencies should compensate landowners when regulations reduce property values.

## Conclusion

Environmental policy in the 20th century swung between promotional and precautionary approaches. Throughout, policymakers neglected the ability of private parties to advance environmental values. As a result, streams, airsheds, aquifers, and wildlife have suffered far more harm than otherwise would have occurred.

Elements of a private environmental protection system already exist, helping empower people to play a direct role in environmental conservation. The challenge, as in welfare reform, is less to proscribe than to empower. It is not to decide the optimal, but to encourage exploration and innovation and to unleash the creative energies of the American people toward solving our environmental problems. We believe the policies outlined in this book will move us closer to that ideal.

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