



Green Bridge to Nowhere

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James Gustave “Gus” Speth is the consummate environmental insider. For over thirty years he has played a key role in the development of environmentalist organizations and agendas. He was present at the founding of the Natural Resources Defense Council in 1970 and later launched the World Resources Institute, a \$27 million enterprise that may be the most influential environmental think tank in the world. He served on, and eventually chaired, President Carter’s Council on Environmental Quality, where he oversaw production of the apocalyptic Global 2000 report. During the 1990s he worked on President Clinton’s transition team and headed up the United Nations Development Program, and he is now dean of the Yale School of Forestry and Environmental Studies.

His prominence within the environmental establishment means that when Gus Speth speaks, environmentalists listen. He is not only an academic dean but, in many respects, the dean of contemporary environmental thinkers. Like others, he advocates ambitious and far-

reaching environmental programs; unlike many, he has held positions in which to make such things happen. Few with his green *bona fides* have his currency in the halls of power or connections with global leaders. Yet like so many celebrated environmental thinkers, he lacks a clear or compelling vision of how to reconcile contemporary civilization with the need for environmental protection.

In *The Bridge at the Edge of the World*, Speth argues that all the environ-

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Capitalism, the Environment, and
Crossing from Crisis to Sustainability*

By James Gustave Speth

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mental progress of the past thirty to forty years may be for naught, as an environmental crisis of global proportions is still with us.

The resource shortfalls and ecological ruin predicted by the Global 2000 report may not have come to pass on schedule, but they are imminent nonetheless. Thus, he seeks radical change to our economic, political, and social systems. “The end of the world as we have known it” is inevitable; the only question is whether we will suffer planetary ruin or a radically transformed civilization. Speth’s hope is to point the way to the latter course.

Speth's eco-pessimism is not particularly new or original, but his critique of the modern environmental movement could be. In his view, the modern environmental establishment has proven itself impotent. It has accomplished much, but not nearly enough. Working within the system failed, he maintains, because it did not seek sufficiently radical change. Saving human civilization from collapse requires more than minor adjustments, he warns, as environmental degradation is but a symptom of broader social problems, and is "linked powerfully with other social realities, including growing social inequality and neglect and the erosion of democratic governance and popular control." Reversing course will require a "transformative change in the system itself," including an "assault on the citadel of consumption" and the remaking of corporations. "Our duty," Speth proclaims, is "to struggle against the contemporarism and anthropocentrism that dominate modern life." A "bridge" to a sustainable society requires revisiting democratic capitalism, remaking industrial civilization, and reorienting human consciousness; "we must return to fundamentals and seek to understand both the underlying forces driving such destructive trends and the economic and political system that gives these forces free rein." Nothing less will do.

Environmental writers have made a cottage industry from warning

of ecological Armageddon and calling for greener forms of economic growth. Yet it is rare to hear so radical a charge from someone with Speth's influence, and unusual to hear someone with his experience offer an ecological assessment that is so misguided. He purports to offer "a deeper critique of what is going on," but his principal complaints echo familiar ones we have heard from other environmental thinkers, his "new approach on the environment" seems quite like the old, and his analysis is ultimately shallow. Speth wants to offer "impractical answers"—but the problem is not so much their impracticality as their wrong-headedness.

Speth catalogues an ever-growing list of environmental insults inflicted upon the Earth by human civilization to document the "great collision" between the human economy and our fragile planet. He tries to shock with numbers and graphs illustrating dramatic increases in population or industrial activity of one sort or another. Such data is easy to find, but trends by themselves do not substitute for a complete diagnosis. It takes more than identifying recent exponential trends to demonstrate unsustainability. Exponential growth rarely (if ever) continues indefinitely, and the same factors that cause growth spurts can cause them to level off. Nor do negative environmental trends necessarily translate into harmful effects on human well-being.

I share his concern for conserving biological diversity, but merely asserting that biological diversity is important for economic well-being does not make it so.

Climate change plays a central role in Speth's account, as one might expect. The threat of anthropogenic contributions to climatic warming is real, and the policy challenge immense. Yet so eager is he to impress upon the reader the severity of the problem that he embraces the flimsiest of evidence to support his claims. For instance, he cites a largely discredited World Health Organization report concluding climate change *already* causes 150,000 deaths per year, and could reach 300,000 by 2030. Climate change is a serious concern—sufficiently so that there is no need for such hyperbole to demonstrate its importance. Overstating the threat is part of Speth's method, all the better to promote the radical changes he seeks.

The first item on his agenda is the replacement of modern capitalism with some undefined "non-socialist" alternative. "The planet cannot sustain capitalism as we know it," he warns, calling for a fundamental transformation. But he does not understand the system he wants to reform, let alone what he would substitute in its place.

According to Speth, "most environmental deterioration is a result of systemic failures of capitalism." This is an odd claim, as the least capitalist

nations of the world also have the worst environmental records. The ecological costs of economic statism are far worse than those of economic liberty. The environmental record of the various Soviet regimes amply bears this out: The West's ecological nightmares were the Soviet bloc's environmental realities. This is not due to any anomaly of the Soviet system. Nations with greater commitment to capitalist institutions experience greater environmental performance.

While Speth occasionally acknowledges pockets of environmental progress, he hardly stops to consider the reasons why some environmental resources have been conserved more effectively than others. Fisheries are certainly declining throughout much of the world—some 75 percent of fisheries are fully or over-exploited—but not everywhere. It is worth asking why. Tropical forests in less-developed nations are declining even as most temperate forests in industrialized nations are rebounding. Recognizing these different trends and identifying the key variables is essential to diagnosing the real causes of environmental deterioration and prescribing a treatment that will work. Speth acknowledges that much of the world is undergoing "dematerialization," such that economic growth far outpaces increases in resource demand, but seems not to appreciate how the capitalist system he decries creates the incentives that drive this trend.

Were it not for market-driven advances in technological capability and ecological efficiency, humanity's footprint on the Earth would be far greater. While modern civilization has developed the means to effect massive ecological transformations, it has also found ways to produce wealth while leaving more of the natural world intact. Market competition generates substantial incentives to do more with less—thus in market economies we see long and continuing improvements in productive efficiency. This can be seen everywhere from the replacement of copper with fiber optics (made from silica, the chief component in sand) and the light-weighting of packaging to the explosion of agricultural productivity and improvements in energy efficiency. Less material is used and disposed of, reducing overall environmental impacts from productive activity.

The key to such improvements is the same set of institutional arrangements that Speth so decries: property rights and voluntary exchange protected by the rule of law—that is, capitalism. As research by Wheaton College economist Seth Norton and many others has shown, societies in which property rights and economic freedoms are protected experience superior economic and environmental performance than those societies subject to greater government control. Indeed, such institutions have a greater effect on environmental

performance than the other factors, such as population growth, that occupy the attention of Speth and so many other environmental thinkers.

Speth complains that capitalism is fundamentally biased against the future; but the marketplace does a far better job of pricing and accounting for future interests than the political alternative. “Future generations cannot participate in capitalism’s markets [today],” says Speth. Fair enough, but they cannot vote or engage in the regulatory process either. Thus the relevant policy question is what set of institutions does the best—or least bad—job of accounting for such concerns, and here there is no contest. However present-oriented the marketplace may be, it is better able to look past the next election cycle than any plausibly democratic alternative.

Speth pays lip service to the virtues of markets, but he still calls for a replacement of the capitalist system with something else. He acknowledges that “no better system of allocating scarce resources has yet been invented” than capitalism, and yet can’t seem to grasp why. He tries to define and dissect the nature of capitalist economics, but is unable to distill its essence. Quoting neo-Marxist critiques is not a likely path to enlightenment about the market economy. Insofar as firms in the marketplace seek to “externalize” the costs of economic activity (such as by

polluting) or “rent seek” to receive special benefits from government, they are seeking to escape the market discipline fostered by capitalist economics, rather than participate in it. Voluntary exchange of private rights is central to the market process. When firms obtain goods or services, such as natural resources or waste disposal, without contracting for them, firms are acting outside of the market process and free from market discipline. If the goal is to “internalize” the environmental effects of economic activity, the most fruitful course is to expand market institutions, rather than impose additional layers of political controls.

While he tries (and fails) to unearth the root causes of environmental degradation, he seems uninterested in diagnosing the causes of government failure. He observes that “governments often intervene in the wrong way” when trying to solve environmental problems, but does not pause to consider why. That government failures may be no less pervasive than “market failures” does not seem to cross his mind. Because wealthy industries seek to control government policy to suppress competitors and enhance their own profits—all the while making markets less free—Speth thinks the problem is capitalism as opposed to those who would use government to inhibit capitalist activity for their own advantage. It’s the green version of blaming the victim.

Speth’s call for radicalism is inspired, in part, by his belief that the environmental movement has failed to adopt and enact a sufficiently forward-looking agenda. The environmental movement is, in his view, overly “pragmatic and incrementalist” and too willing to accept compromises, naïvely believing that “the system can be made to work for the environment.” Insofar as Speth means that environmentalists are overly enamored of the regulatory state and the ability of expert bureaucracies to plan our way to a greener future, he’s onto something. But he means much more. Environmentalism, in his view, is too narrow and insufficiently radical. “Today’s environmentalism believes that problems can be solved at acceptable economic costs,” he laments, as if seeking to impose “unacceptable” costs on society would be worth doing.

Rather than acknowledging the inherent limitations of political institutions to manage economic and ecological concerns, he suggests it is the private sector’s fault that the public sector fails. Ecological central planning is a vastly more complex enterprise than economic central planning ever was, and that much more prone to failure. Thus it is to be expected that contemporary environmental protection efforts “have spawned a huge and impenetrable regulatory and management apparatus” and current regulations “are quite literally beyond

comprehension.” Speth offers no reason why still more radical governmental efforts to restructure and reorient economic activity will not produce even greater problems, but he sees such controls as absolutely indispensable. In his view, the only environmentally sound corporation “is one that is required to be green by law.”

Speth has a few good words about the use of economic institutions to limit environmental impacts. He believes environmental activists have been too slow to embrace economists’ advice about the need to incorporate environmental costs into market prices, and so he calls for the imposition of taxes on environmentally harmful activity. If it is not possible to set taxes at a level “equal to the value of the damage,” he suggests imposing a “price on destruction of the environment of all types [that] is discouragingly, forbid- dingly high.” Internalizing the environmental costs of private economic activity is all well and good, but even the most expert and well-intentioned governmental entities lack the necessary information and expertise to set environmental prices by regulatory fiat. Further, if the aim is to “discourage”—if not “forbid”—“all types” of environmentally harmful activity, the system of taxes Speth envisions will be no less complex or unmanageable than the regulatory system he recognizes as flawed.

Speth’s agenda is not confined to economics and the environment, however. He believes his sustainability agenda is intertwined with broader social concerns. “Sustaining people, sustaining nature—it is one cause, inseparable.” Thus he wants to replace the traditional focus on economic growth, as measured by GDP, with “good growth,” which he defines as “growth with equity, employment, environment, and empowerment.” While ostensibly focused on our environmental crisis, and calling for a “post-growth” society, the bridge he seeks to build is to a far broader and more ambitious progressive agenda:

Perhaps the most important prescriptions challenging unbridled growth come from outside the environmental sector...they include measures such as more leisure, including a shorter work-week and longer vacations; greater labor protections, job security and benefits, including retirement and health benefits; restrictions on advertising; new ground rules for corporations; strong social and environmental provisions in trade agreements; rigorous consumer protection; greater income and social equality, including genuinely progressive taxation for the rich and greater income support for the poor; major spending on public sector services and environmental amenities; a huge investment in education, skills, and new technology to promote

both ecological modernization and sharply rising labor productivity to offset smaller workforces and shorter hours. People deserve more free time, more security, and more opportunity for companionship and continuing education. They deserve to be free of the growth-at-all-costs paradigm and the ruthless economy [of capitalist societies].

This agenda, Speth claims, is not only the key to sustainability, but also to greater human “well-being.” So too are limits on consumerism and consumption. The measures he outlines are the “hallmarks of a caring community and a good society” and must be imposed by government *diktat*. The role civil society and non-governmental civic institutions might play in this regard receives not a single mention. Capitalism and its attendant freedoms are not only bad for the environment, in his view, they are bad for people as well, and must therefore be controlled, if not eliminated.

The full-throated embrace of European-style social democracy Speth offers may be *de rigueur* at Yale, but much of this agenda has little (if anything) to do with environmental sustainability. There is no evidence, for instance, that greater income equality or labor protections enhance environmental performance, and many reasons why some measures, such as more progressive taxation, conflict with other reforms Speth finds necessary for environmental protection,

such as increasing the economic costs of environmentally harmful activities.

And if some refuse to go along, no matter, as the ultimate reforms involve “a transformation in consciousness and a transformation in politics.” Soviet societies may have failed to mold a New Socialist Man, but Speth’s post-capitalist, post-growth society will spawn the New Sustainable Man necessary to make the system work. “Today’s dominant worldview is simply too biased toward anthropocentrism, materialism, egocentrism, contempocentrism, reductionism, rationalism, and nationalism to sustain the changes needed.”

Speth hopes to spur “cultural change” to make such a transformation possible, through education and “social marketing.” “Can an entire society have a conversion experience?” he wonders. Perhaps, he answers, if there is “wise leadership and a new narrative that helps make sense of it all and provides a positive vision”—and naturally, political action is the one and only way to make this possible. “Government is the principal means available to citizens to collectively exercise their stewardship responsibility to leave the world a better place,” he explains. Therefore, his agenda requires “a vital, muscular democracy steered by an informed and engaged citizenry.” Insofar as contemporary American democracy is not up to this task, the political system itself must be reformed. And so Speth concludes with calls for

increasing the leverage of citizen groups in the political process, “open primaries, nonpartisan redistricting, a minimum free television and radio time for all federal candidates meeting basic requirements, reducing the perks of incumbency, bringing back the Fairness Doctrine requiring equal air time for competing political views, and more.” Only then will the “Environmental Revolution of the twenty-first century” be possible. Suddenly this revolution bears a striking resemblance to revolutionary calls we’ve heard before.

To say I am skeptical of Speth’s agenda is an understatement. What begins as a well-intentioned (if blinkered) examination of sustainability transforms into a connect-the-dots radical jeremiad. While it is important to acknowledge the limits of existing institutions, one must also reflect on institutional successes.

The relative vices of capitalism, or any other system, cannot be judged in isolation from its virtues. There’s nothing inherently wrong with seeking dramatic political change, but it seems disingenuous to wrap the entire progressive, social-democratic agenda in the mantle of environmental sustainability. Environmental policy should be about the *environment*, not income redistribution or the length of the workweek. Speth should put aside his elite ideological preferences for a European-style social welfare state if he truly wants to build a lasting “bridge” to environmental sustainability. As constructed, his bridge is not structurally sound—and it leads someplace nobody would really want to go.

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