

Mr Greiner's Environment

John Hyde

Earth Day 1990---April 22---was a tailor-made occasion for platitudes. Mr Greiner's 'Earth Day' speech contained a few of these, but there was more than platitude. He outlined an approach to environmental management that does not prevent the achievement of other values by which most people set great store. The speech will not, therefore, please a certain stamp of Deep Green. It should, however, be welcomed by true environmentalists as a politically sustainable approach to environmental management---one that will not be abandoned in an economic recession.

Politics is all about reconciling interests such as those of developers and environmentalists. The peculiar political difficulty that environmentalism poses is that it has been taken up by fundamentalists predicting the end of the world and by people who are using widespread concern about the state of the environment to advance their own preferred social order---a collectivist one. Deep Greens are undermining liberal, democratic capitalism by insisting upon solutions to environmental disorders that are incompatible with it. Further, they emphasise those environmental problems, such as greenhouse and ozone layer depletion, which are least likely to respond to market solutions. They do this even though science is not yet agreed that these are problems.

Protection of the environment has, thus, been made into a stalking horse for socialism---i.e. for a society that takes decisions about production, distribution and exchange collectively. The stalking horse approach to politics is not new: socialists, fascists and utopians of all sorts have, at other times, employed peace and poverty to sneak up on us. Neither do failures deter these true believers: if, wherever socialism has been practiced, it has made peace less achievable, poverty almost inevitable, and the air, rivers, land and sea filthy, then socialism was betrayed and more and better controls are needed.

Nevertheless, when facing ridicule in one area socialists will concentrate upon another. Recent events

in Eastern Europe have already caused some collectivists to try to re-define socialism so as to exclude the socialist states. Other collectivists have turned away from social philosophy to issues, such as the environment, which may be employed to expand government authority. It is no coincidence that environmentalism is dominated by the educated upper-middle-class who see themselves doing the regulating.

In spite of unequivocal evidence of environments in a far worse state than our own within the non-market world, our talking class have convinced us that capitalism is bad for the environment and that the only solutions to environmental problems are those which are bad for capitalism. Most Australians now believe that capitalism, whatever its other virtues, has failed the environment.

Mr Greiner explicitly debunked the notion that there is a conflict between environmental consciousness and democratic capitalism. That he did it well is evidenced by the fact that he was reported in most papers as having made a pro-environment speech---as indeed he had. The wealthy capitalist societies have made a far better job of caring for the environment than either the communist or the third world---only they can afford to.

The NSW Premier, went on to explain at considerable length how environmental problems tended to be associated with the absence of loving owners. People, he said, have tended to use the ocean, the air and the rivers as gigantic rubbish dumps because these have no owners. The Deep Greens won't like that!

He said that the government had to act as owners to protect the common property. However, he decried regulation: "Regulations are costly to establish and effectively police. They are often not particularly flexible and are applied with little recognition of the implications for economic efficiency, and therefore total community welfare". He could have added that were regulations to be applied "flexibly" then unfairness and corruption would be inevitable.

He went on to applaud use of, pollution taxes and charges, pricing of services based on true costs, tradeable emission rights and government subsidies to reduce pollution. These are all mechanisms that are compatible with markets and the rule of law, and which encourage the discovery of least-cost solutions. Employing only economically efficient mechanisms means that for any given cost we can enjoy a better environment or, alternatively, for any given rate of environmental improvement we can enjoy more non-environmental benefits. If we don't use procedures that are reasonably efficient, then it is highly unlikely that we will, in future, be debating the rate of environmental improvement---instead

we will, at best, be trying to slow down the rate of environmental loss as we struggle with a weak economy.

Greiner asserted that the primary challenge for the government was to "create mechanisms which will enable society to prioritise (sic) its many and conflicting demands upon resources." How sensible and how different from asserting the priorities themselves. These mechanisms, he said, must:

- | generate an agreed information base;
- | provide a reliable estimate of the costs and benefits of decisions, including costs imposed on private land owners, social costs and benefits, and those costs and benefits being imposed on future generations;
- | give society an ability to trade off the costs and benefits; and
- | provide the maximum feasible opportunity for community participation in the decision making process.

He promised no more than care of the commons and a little respect for the Western liberal democratic tradition of limited government. Yet, socialists will find it hard to push their barrow through his minefield. Wherever they turn they will come up against established dispute settling procedures with no-nonsense rules of evidence, private property rights, markets, the rule of law and, I think, worst of all for their cause, an improving environment.

Such will be the opposition to his approach, that NSW may never implement a Greiner Green philosophy. It should, nevertheless, be causing angst among Deep Greens--that is among those few environmentalists who would sooner destroy capitalism than save the earth.

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