

The Unsustainability of Sustainability

Reviewed by Richard L. Gordon

A POVERTY OF REASON: Sustainable Development and Economic Growth

by Wilfred Beckerman

130 pp., Oakland, Calif.: The Independent Institute, 2002

AT LEAST SINCE ITS endorsement in a 1987 United Nations report, many people have used the term “sustainability” as a buzzword for their interventionist agendas to control environmental damages.

Several economists have attacked the concepts that underlie the notion of “sustainability” as too vague to guide any kind of sensible action.

In his recent book *A Poverty of Reason*, economist Wilfred Beckerman, Emeritus Fellow at Balliol College, Oxford University, gives a more detailed refutation. His basic case can be reduced to a few words that Beckerman states early on:

Here the concept of sustainable development has nothing to add [to the concept of economic welfare]. Indeed, it subtracts from the objective of maximizing human welfare because the slogan of sustainable development seems to provide a blanket justification for almost any policy designed to promote human welfare irrespective of its cost and hence irrespective of the sacrifice of other ingredients of welfare. (p. 5)

In short, sustainability is a means to justify policies pushed by some interest group. This reflects a chronic problem in amateur efforts to deal with economic issues: Well-established economic con-

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cepts are overridden because they would force society to consider whether the results of the sustainability policies truly are desirable. Instead, those concepts are replaced with touchy-feely slogans. The results always are serious and persistent errors. Thus, the Chicago tendency to push conventional economic principles as far as possible has a marked advantage over the proclivity of too many others to stress the limitations of economics. In short, seeing the doughnut, not the hole, is preferable.

Beckerman applies this principle on

The notion of sustainability enables society to ignore whether such policies truly are desirable.

the very first page. He recalls that the 1987 UN report talked about satisfying the needs of present and future generations, but he notes that the report gives no mention of the fact that no generation fulfills all of its needs. While Beckerman does not explicitly note that this means neglect of the central economic concept of scarcity, he suggests that point by noting the UN’s failure to consider tradeoffs.

Sustainability is essentially only the fig leaf designed to promote a vigorous “Al Gore” type of environmental policy. Thus, Beckerman’s response is similar to frequently presented general criticism of undisguised environmentalism. His critique of the specifics of sustainability starts with review of the drawbacks of contentions that natural resource problems create the need for sustainability policies. He then

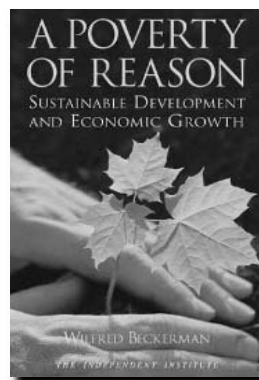
turns to examination of three associated conceptual issues. The assessment on the resource-problem side covers both the older type of arguments based on exhaustion of resources and the newer contention that the environmental impacts of resource use necessitate forcing curtailment of such utilization.

The argument is similar to that in Lomborg’s *The Skeptical Environmentalist*, which Beckerman cites several times. Both Lomborg and Beckerman make their case without explicitly noting that the environmental impact argument is an alternative to depletion arguments. As I argued in 1993 in *The Energy Journal*, these new, difficult-to-evaluate arguments conveniently emerged precisely when the defects of depletion arguments had become apparent. For example, John Holdren’s 2002 *Scientific American* attack

on Lomborg ingenuously claimed that Lomborg was ignoring the shift of emphasis. This is invalid in at least two ways: First, Holdren’s claim that depletion is no longer feared is belied by the continued appearance of assertions that oil supplies are soon to run out. (See the review of *Hubbert’s Peak*, Fall 2002.) Second, Lomborg and Beckerman address environmental impacts of energy use.

Beckerman’s treatment in Chapter 2 and the first half of Chapter 3 of resource availability starts with the critical point that claims about the finite nature of resource supplies imply that strictly defined sustainability is impossible. He stresses the two defects of claims to finitude: “Reserves” comprise only what has been found

and developed; exploration and technological advancement lead to increases in reserves over time despite extraction. (When efforts were made to incorporate depletion in gross domestic product, the figures were increased because, contrary to Al Gore’s assertions, reserves rise.) Second, the arguments ignore the ability of markets to adjust to changing availabili-



ty and price. Beckerman presents familiar examples of prior bad predictions. He moves on in the rest of Chapter 3 to note the excesses of claims of the threat to biodiversity, and then he examines global warming in Chapter 4. He notes the uncertainty about both what will occur and its impacts.

The three subsequent conceptual chapters treat respectively the Precautionary Principle, the problem of bureaucracy and protection, and the environmentalists' stress on not harming future generations. The treatment of the Precautionary Principle nicely makes clear that it allows arbitrary and capricious decisions about what risks should be avoided. (See "The Paralyzing Principle," Winter 2002–2003.) Again, we have the perils of ignoring economics; economics insists on attempting measurements of the importance of different risks while the Precautionary Principle allows decisions on the basis of what is the current cause of concern. Beckerman uses attacks on genetically modified food and the pressures to stop global warming as cases in which the risks stressed are not the most important. He raises concerns about the neglect of poverty and disease that mars environmentalism.

His discussion of bureaucracy and protectionism starts by noting the role of private initiatives in preserving the environment. He then turns to arguing that the insistence that all countries adopt the same environmental standards is unwarranted protectionist intrusion. His last chapter discusses the moral defects of insisting that future generations always be protected against a decline in welfare.

The book is a nice follow-up to Beckerman's 1996 Cato-published *Through Green-Colored Glasses*. That book dealt with the issues at greater length and formality than the new one. *Poverty* highlights and illustrates the basics of the case that environmentalists rely on defective appraisal techniques.

Efforts such as Beckerman's are welcome additions to the unending battle against the exaggerated arguments for environmentalism. The book is clearly designed to be a short, clear treatment of the special, much oversold handle of sustainability. It does the job well. **R**

More Hot Air

Reviewed by *S. Fred Singer*

RECONSTRUCTING CLIMATE POLICY:

Beyond Kyoto

By *Richard B. Stewart and Jonathan B. Wiener*
193 pp., Washington, D.C.: AEI Press, 2003

WHAT IS IT ABOUT academic economists that makes them salivate like Pavlovian dogs whenever they hear the magic words "market solution"? Sure, market-based solutions are always more efficient and less liable to be politically influenced than those based on command-and-control. But before we apply solutions, should we not first ask if there is a problem that needs to be solved?

And so it is with this book. The authors confidently assert the existence of a future climate problem more or less on faith, but they also see many difficulties with the 1997 Kyoto Protocol that is supposed to reduce emissions of greenhouse gases. So they propose a clever alternative to Kyoto — yet another solution to a non-problem. They visualize a U.S.-China bilateral deal to limit emissions (mainly of carbon dioxide from fossil-fuel burning) that would operate in parallel with the Kyoto Protocol (which neither country plans to ratify). In their plan, the United States buys emission rights from an arbitrary excess quota allotted to China. The authors call it "headroom," but I call it a subsidy. The United States pays, China gets, and the atmosphere does not benefit because emissions continue unabated.

Eventually and somehow, this U.S.-China deal is supposed to merge with Kyoto. Every nation in the world would then actually limit its emissions, and

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thereby save the climate, humanity, and Lord knows what else. What a pious hope!

Gentlemen's agreement What else is wrong with the Stewart-Wiener scheme? Plenty, although it may be no worse than another dozen or so clever schemes thought up by other lawyers, economists, and policy analysts that are duly referenced in this volume but never critically discussed. Is there some kind of gentlemen's agreement here?

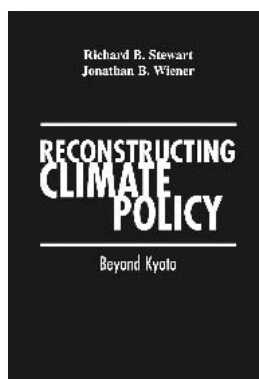
All emission trading depends on having a "cap," whether sectorial, national, regional, or global. Then, as emissions rise with population growth and economic prosperity, this kind of rationing creates a scarcity and imparts increasing value to emission permits.

The Pew Center keeps coming up with emission-trading schemes, and so do any number of academics in the United States and Europe. Resources for the Future published a cap-and-trade scheme with "soft" caps: whenever the price of permits becomes too high, the cap is relaxed and — Presto! — the price moderates. In other words, the regulatory body can arbitrarily limit the value of the permits. And with political price control in place, why would anyone buy such permits?

Solution without a problem? But enough of belittling esoteric schemes cooked up by would-be energy planners. Do we need to limit the emission of greenhouse gases at all?

First, there may not be a global warming problem. The climate history of the past century does not seem to be consistent with the greenhouse theory, throwing doubt on the predictions of appreciable future warming. And even if the climate were to warm, the consequences are more likely to be beneficial. With the estimated cost of the Kyoto Protocol ranging from high to huge to ruinous (depending on the analyst), the cost-benefit analysis becomes pretty simple.

In any case, it is agreed by all that the Kyoto Protocol — even if punctiliously obeyed by all adherent (industrialized) nations — would have a negligible effect on



reducing future warming. The reduction in calculated temperature by 2050 is only 0.02 C. If the United States were to participate, the reduction would rise to 0.05 C, which is also essentially unmeasurable. And of course, if adhering nations buy emission rights instead of reducing emissions, there would be no effect at all on the atmosphere and temperatures. Zilch.

Even supporters agree that the Kyoto Protocol is only a “first step” and that much more drastic reductions are required by all nations, developed and developing, to keep greenhouse gas levels from rising much further. A 60 to 80 percent cut is required instead of the five percent called for by Kyoto. (I could not find any reference to those facts in the book.)

Finally, it is not even clear that we should be reducing the accumulation of carbon dioxide in the atmosphere. It is not a pollutant and does not produce any adverse physiological effects. On the contrary, it is basic plant food and makes crops and forests grow faster with less water. (The American Enterprise Institute, publisher of the Stewart-Wiener book, previously issued a study by Yale economist Robert Mendelsohn that documents the benefits of a warmer climate.)

So why reduce carbon dioxide levels? The 1992 Framework Convention on Climate Change (FCCC) is strangely uninformed about this question. Article 2 of the FCCC states only that “the ultimate objective is to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.” The concern here seems to be with the stability of the climate against sudden and possibly irreversible changes. But the FCCC gives no indication of what the greenhouse gas level should be, or even whether it should be lower or higher than the present level. Empirically, we do know that the climate underwent many abrupt changes during the recent ice age and has been relatively stable during the Holocene (the warm interglacial period of the last 10,000 years). I have argued in a Hoover Institution essay and elsewhere that the FCCC (properly interpreted) actually favors a warmer climate and therefore higher carbon dioxide levels.

All of the foregoing suggests that the

Kyoto Protocol is not only ineffective but also counterproductive. Nevertheless, diplomats and technical experts from 180 nations have been meeting endlessly for the past decade to argue about minutiae like the specifications of “sinks” for carbon dioxide and, of course, about the desirability and procedures of “emission trading.”

Convergence A historical footnote is in order here. We need to remember the mindset of the Clinton/Gore White House that engineered adoption of the Kyoto Protocol in 1997. Recall, for example, Under Secretary of State Timothy Wirth repeating Gore’s claim that “the science is settled” on global warming. And former Secretary of State Warren Christopher, in a speech at Stanford University in 1996, announcing that global warming was the single most important threat facing the United States in the 21st century.

Clinton/Gore never submitted the Kyoto Protocol to the Senate for ratification. (They were well aware that the Senate’s Byrd-Hagel resolution against any Kyoto-like protocol had just passed unanimously in July 1997.) But they tried to make ratification more palatable by proposing unlimited emission trading that would have allowed the United States to continue more or less in a business-as-usual fashion while buying surplus emission permits from Russia. This fudge was, of course, opposed by Greens and by many Europeans who wanted to see the United States undertake actual emission cuts and feel the consequent economic pain.

The whole matter came to a head at the sixth Conference of the Parties (to the Kyoto Protocol) in The Hague in November of 2000. But as the U.S. position softened and the United Kingdom, true believers in the Kyoto process, tried to broker a deal, the position of “Old Europe” hardened. French President Jacques Chirac, in particular, took a radical stance, telling delegates, “France proposes that we set as our ultimate objective the convergence of per-capita emissions.” Convergence is based on the idea that everyone in the world should have the right to emit carbon in equal amounts — so requiring a vast decrease in the amount emitted by indus-

trialized nations and a massive increase in the amount emitted by the Third World. Chirac admitted that Kyoto therefore represented “the first component of an authentic global governance.”

French intransigence killed the UK-brokered deal to allow progress on Kyoto. British Deputy Prime Minister John Prescott blamed continental European politicians in no uncertain terms: European ministers should have taken a chance and made the change, he said. “That’s what I decided to do and everyone was with us until we got into those Euro-ministers and they split.” He was especially critical and even insulting to the French environment minister.

The irony of it all is that the Europeans made all those concessions to Russia and Japan at the 2001 Conference of the Parties in Marrakesh, hoping to induce them to ratify Kyoto. Japan did so, but Russia continued to hold out. By then it was too late to get the United States aboard; George W. Bush had been elected president on a platform that included opposition to the ratification of the Kyoto Protocol, which he denounced as “fatally flawed.” In September of 2003, Russia refused to ratify, with President Putin terming the Protocol “scientifically flawed” — an even more accurate description. Without the United States or Russia, Kyoto cannot reach the magic 55 percent threshold needed to go into effect.

Social engineering We have now come full circle. The Stewart-Wiener scheme is really a variant of the concept of convergence. And as is well recognized, the concept depends crucially on whether it sets a national quota or a per-capita quota for rapidly developing nations where population policies are often enforced by their governments. The authors do not spell out the political and social consequences of the two alternatives, nor do they specify the choice of carbon dioxide limits or the political path for making that choice. It does not require much imagination to recognize the risks inherent in giving authoritarian governments the incentive to control their populations’ fertility and access to energy. We are no longer talking about climate policy, but about international social engineering. **R**

Bad News Sells

Review by Angela Logomasini

ARE CHILDREN MORE VULNERABLE TO ENVIRONMENTAL CHEMICALS? Scientific and Regulatory Issues in Perspective

Edited by Daland R. Juberg

219 pp., New York, N.Y.: American Council on Science and Health, 2003

A SERIES OF TV ADS BY A group of “children’s health advocates” asks some provocative questions. One ad shows a doctor holding a baby and displays the headline: “More Kids are Getting Cancer: Why?” Another, showing a baby breastfeeding, carries a title that reads, “Our Most Precious Natural Resource is Being Threatened: Why?” The ads suggest an answer: Toxic chemicals are threatening our kids.

In *Are Children More Vulnerable to Environmental Chemicals?* researchers from the American Council on Science and Health (ACSH) dispel myths spread by those ad campaigns. Written by a group of scientists, medical doctors, and science policy experts, ACSH’s book does not claim to have all the answers. Much of the science on children’s environmental health risks remains undeveloped, they explain. But one thing is clear: Many of the initial findings contradict environmentalists’ claims.

Of particular interest are the authors’ insights on a National Research Council (NRC) study that helped put the issue of children’s environmental health on the map. The 1993 NRC report *Pesticides in the Diets of Infants and Children* noted that children might be more susceptible to pesticides because they consume more food and water relative to body weight than do adults, because some children’s behavior may increase exposure, and because they usually inhale more air (and potentially more air pollution) for

their body weight than do adults.

While media, regulators, and environmentalists have invoked the NRC study as evidence that pesticides are particularly dangerous to children, ACSH’s Daland Juberg explains that that is not what the report found. The NRC report, explains Juberg, concludes that children may be more or less susceptible, depending on the chemical and the age of the subject. Many factors come into play. For example, the possibility that children may have faster, more efficient metabolisms may enable them to better detoxify certain chemicals, making them less susceptible than adults.

Environmental activists ignore studies indicating that, in many instances, children might be better able to manage chemical risks than adults. For example, some rodent tests — environmentalists often use rodent tests to make their case — indicate this possibility. Juberg notes a study that compared the lethality of pesticides to adult rats versus four- to six-week old rats (called weanlings) and found that the adult rats were more susceptible to 32 of 36 pesticides than were the weanlings. Another study considered a wider range of impacts — including mortality, blood chemistry, and motor activity — on adult versus weanling rats. It found that age was not a significant factor in the toxicity level of most pesticides.

ACSH does note that there may be “windows of vulnerability” — short periods of time when chemical exposures affect children differently — but all depends on the exposure level, duration, and the particular chemical. And children’s environmental exposures to pesticides do not approach levels that have health significance. The authors also note that the amounts of certain chemicals found in the environment are declining, decreasing children’s environmental exposure over time. And even though chemical use has increased, cancer incidence and deaths continue to decrease, undermining environmentalist claims of a chemically caused cancer epidemic. The exceptions, such as childhood brain cancer (the incidence of which has increased

35 percent between 1973 and 1994), are the result of increased detection over time rather than a real increase in incidence.

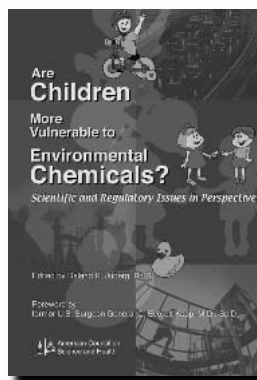
The NRC report recommends that regulators employ a 10-fold safety factor when setting pesticide standards to ensure children’s safety. The Environmental Protection Agency already routinely employs a 100-fold factor when setting regulations. One NRC panel member explained, “The NAS/NRC panel did not envision that a 10x safety factor would be applied on top of an existing acceptable intake level that already protects infants and children.” Yet in 1996, Congress passed the Food Quality Protection Act

requiring the EPA to apply this 10-fold factor after applying the existing EPA 100-fold factor — in the end, applying a 1,000-fold factor that is far more conservative than the report suggests. The only time the EPA can decide not to employ the additional 10-fold factor is when it can show that the product does not pose an additional risk to children — a tough standard to meet.

But why would the NRC include a policy recommendation at all, particularly when it could easily be misinterpreted? Steve Milloy’s chapter in the ACSH book tells the story. The chairman of the report’s committee was Dr. Philip Landrigan. Apparently, Landrigan was not happy with the NRC’s original conclusions and took his case to Bill Moyers, then the host of the PBS show *Frontline*. In a program alleging dire risks from pesticides to children, Moyers presented a letter from Landrigan stating that the NRC study was weak, or in Landrigan’s words, “diluted” with “case studies blurred.”

Following the Moyer show, Landrigan noted in a letter to the *Washington Post*, “In response to my concern, the National Academy of Sciences [NRC is an affiliate of the NAS] reconvened our committee to finalize the report. This final version is not ‘watered down.’”

Since the publication of this book, activists have released new ads featuring new indictments against chemicals. Bad news may indeed sell, but hopefully so will ACSH’s book. **R**



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