

**BRIEF ANALYSIS**

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## Green Growth: Five Principles for a Better Environment

The last 20 years of environmental progress have cost a lot of money and caused a lot of conflict. While reformers have pointed out the excesses of current environmental programs, they have not provided a vision of environmental progress. Adopting principles that avoid the mistakes and build on the successes of the past can ensure a clean, healthy environment in the 21st century.

**Principle One: Require that Government Policies Do No Harm.** The federal government, often the worst polluter and violator of environmental laws, exempts itself from environmental policies it imposes on the private sector. In addition, government programs often cause harm to people.

Dr. Wendy Gramm, former administrator of the Office of Regulatory Affairs in the U.S. Office of Management and Budget (OMB), and Susan Dudley, vice president and director of environmental analysis at Economists, Inc., applied OMB estimates that for every \$9 million to \$12 million decline in aggregate personal income one life is lost and found that 1997 ozone standards alone could result in 7,000 deaths per year when fully implemented.

Other programs and regulations harm the economy and citizens' rights. When endangered red-cockaded woodpeckers inhabited Ben Cone's North Carolina property, a result of his efforts to protect old growth forests and replenish animal populations, the U.S. Fish and Wildlife Service ruled 1,561 acres of Mr. Cone's land off limits. This action cost Mr. Cone \$2 million. To deter woodpeckers from visiting his adjoining land, Mr. Cone began clear-cutting 300-500 acres every year. His neighbors followed suit. The result is reduced habitat for wildlife that depend on older forests.

Taxes and subsidies also provide incentives for environmentally destructive actions. For instance, federal and federally subsidized hurricane and flood insurance encourages development on sensitive beaches, wetlands and floodplains.

**Principle Two: Improve Environmental Protection by Allowing Markets to Work.** A healthy environment and a healthy economy are directly linked. The worst environmental problems are found in impoverished countries with stagnant economies. For example:

- In poverty-stricken Haiti, less than 30 percent of the population outside of the nation's capital has access to safe drinking water.
- As a result, deadly forms of water-related diseases and parasitic infestations are widespread, and Haiti has the highest infant and toddler mortality rates in the

Americas (86 and 140 deaths per 1,000 live births).

Though China now has a thriving economy, its citizens and the environment are suffering from decades of command-and-control economic policies. For example:

- The Yellow River is the world's most silt-laden, carrying over 1 billion tons of eroded soil each year.

- Only 40 percent of urban and less than 7 percent of rural Chinese have access to safe drinking water.
- China's state-run factories dump 36 billion tons of untreated waste into the nation's lakes, rivers and coastal seas each year, making the water in more than a quarter of the freshwater lakes and rivers unsuitable even for irrigation.
- According to the World Health Organization (WHO), China's air quality is the worst in the world.
- In the 1980s, the average daily total of suspended particulates in northern China was six to nine times greater than WHO safety standards.
- In the industrial city of Benxi, smog is so bad that visibility is limited to 40 to 50 yards six months a year.

It will take years of economic prosperity for countries like Haiti and China to boast healthy environments. But growing economies make possible the technological innovations necessary for environmental improvements, and citizens in wealthier societies are healthier and spend more on environmental quality. For example, economist Donald Coursey found that above a certain level of income, every 10 percent rise in income increases individuals' willingness to pay for environmental protection by 25 percent.

### Principles

- Require that Government Policies Do No Harm**
- Improve Environmental Protection of Allowing Markets to Work**
- Improve Environmental Education Programs**
- Punish Real Polluters, Not Paperwork Errors**
- Promote Community-Based Environmentalism**

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While gross domestic product in the United States rose 65 percent and per capita disposable income rose from \$13,404 to \$18,136 between 1975 and 1993, levels of all major air pollutants decreased. Most strikingly:

- U.S. sulfur dioxide levels decreased 50.3 percent.
- Carbon monoxide levels decreased 60.5 percent.
- Lead decreased 97.1 percent.

During the same period, water quality also improved significantly. For example:

- The release of organic wastes fell by 46 percent.
- The release of toxic organics fell by 99 percent.
- The release of toxic metals fell by 98 percent.

Pollution wastes resources. In market economies, as companies become more efficient they pollute less.

**Principle Three: Improve Environmental Education Programs.** If states choose to implement environmental education, the programs should be based on sound science and an understanding of opportunity costs.

At present, what passes for education often is just environmental advocacy. For example, Wisconsin includes environmental education in the core curriculum. But a recent study of course materials used in the University of Wisconsin system to train future teachers found that only two of 12 courses met North American Association for Environmental Education (NAAEE) standards for fairness and scientific accuracy. Five of the eight state universities that offer education degrees were using only materials biased towards environmental advocacy, failing NAAEE standards for objectivity.

**Principle Four: Punish Real Polluters, Not Paperwork Errors.** Environmental regulators often punish citizens for faulty or incomplete paperwork or harmless activities. When people cause harm, they should be punished — after the government proves their crime. Environmental laws should specify standards that assure human health and safety; individuals and businesses should be allowed to find the best ways of meeting those standards. And standards should not relate to hypothetical, minuscule or subjective health risks. Punishing only those responsible for real environmental harm meets both fairness and cost-effectiveness criteria.

**Principle Five: Promote Community-Based Environmentalism.** Most environmental problems are local in cause and effect, and they call for local solutions. Yet

in recent years federal agencies have ignored constitutional constraints and become enmeshed in intrastate environmental matters. Superfund was supposed to provide temporary emergency federal funding for chemical waste cleanups if the responsible parties could not be found or could not pay. Yet despite cumulative federal expenditures of more than \$30 billion over 17 years:

- Fewer than 200 of more than 1,300 Superfund sites on the National Priorities List have been cleaned up and removed from the list.
- Between 36 cents and 60 cents of every dollar spent on Superfund has gone to lawyers' fees and other transaction costs, not cleanup.
- The Endangered Species Act (ESA), administered by the Fish and Wildlife Service (USFWS) and widely considered the most powerful environmental law in the nation, has cost billions; yet of the 1,524 species listed as endangered or threatened during the ESA's 20-plus years of existence, seven have become extinct, eight others were found to have been wrongly listed — and of the other 12 that have been "delisted," no successful species recovery can be definitively traced to the ESA.

Where federal efforts have failed, local and state environmental improvement efforts can succeed. In 16 years, only 10 of 103 federal sites in Pennsylvania have been removed from the Superfund list. By contrast, in just two years of existence, Pennsylvania's land recycling program has overseen the cleanup of 100 of its 300 contaminated sites.

**Conclusion.** Everyone wants clean air and water. Almost everyone wants to preserve healthy ecosystems and natural wonders. The best way to ensure continued environmental improvement is to maintain economic growth, while permitting localities to address most environmental problems.

If adults have the wealth to maintain environmental progress, their children have the knowledge to resolve future environmental challenges and communities have the flexibility to respond cost-effectively to environmental problems, the world can be a greener, healthier, more beautiful place to live.

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