
Free Marketeers on the Edge: a Response to McCoy and Atwood

DAVID W. ORR

Environmental Studies, Oberlin College, Oberlin, OH 44074, U.S.A., email david.orr@oberlin.edu

I appreciate the instruction in economics provided by Professors McCoy and Atwood and their efforts to fathom the deeper sources of my errors therein. If I understand them correctly, they write from within that particular persuasion of the dismal science called “free market environmentalism,” which holds that, if we just assign clear property rights for natural resources and don’t interfere with what folks with money want to do, everything will work out OK, for Adam Smith once told us so. Actually he did not, but that is for another time.

The curious debilities of that view become clear when McCoy and Atwood ask, “What is wrong with a human boom and bust cycle? Is our species to exempt itself from normal ecological processes?” For McCoy and Atwood, the answer is that nothing is wrong with humankind going bust because “even if we are on the brink of disaster, backing away from the precipice may involve costs we are not willing to pay. Tradeoffs are inherent in any decision.” In other words, if it is too expensive to back away from the edge of disaster, we ought to follow the brave free marketeers over the cliff. And exactly what “tradeoffs” are those lying at the bottom of their precipice able to enjoy? They do not say. But if things do go bust for *Homo sapiens* perhaps they can find solace, as McCoy and Atwood do, in the idea that “there will still be bacteria (and) ecosystem processes. . . will continue.” I am somewhat less comforted by that prospect than they. One wishes to ask if they consulted with their families, friends, or even their students who may be less willing to give their all for the doctrine of “tradeoffs.”

The sterile language of indifference, cloaked in the presumptions of doctrine, hide human consequences and suffering for which there are no adequate words. But having no words to describe the consequences of shoddy ideas, one can have no price to put on it, and having no price, one can have no property rights, hence no stake in anything like a market transaction in human survival.

Taken to their logical conclusion, such ideas lead to the absurdity that humankind cannot afford to survive. McCoy and Atwood are trying to stuff an unimaginably large and portentous moral problem into the very small box of free marketism.

Further on they instruct us that “objectives such as limiting human growth or preserving Brazilian rainforests are not imperatives; regardless of their implications, they are simply preferences.” To McCoy and Atwood there are no such imperatives because again there are only “tradeoffs people are willing to make.” In other words, they reduce the value of all ecological systems and ecological processes to economic calculation “regardless of their implications.” They do not ask whether some things ought to be outside the realm of economic calculation altogether or even which of us or which generation is entitled to destroy for all time priceless things such as rainforests or climate stability because apparently they haven’t thought much about it. For free market environmentalists the primary goal is to preserve the free market system even if it will destroy the larger system on which it depends. And the only votes that count in their view are rendered by those in the present generation with money.

The authors wish to reassure us that economics and ecology are “the same phenomena, albeit using seemingly proprietary terminology.” Well, no they aren’t. One can draw parallels and analogies between economics and ecology and even study commonalities at a very general level as systems, but in the words of economist John Gowdy and biologist Carl McDaniel, the fact is that “the self-organizing principles of markets that have emerged in human cultures over the past 10,000 years are inherently in conflict with the self-organizing principles of ecosystems that have evolved over the past 3.5 billion years” (1995:181).

To McCoy and Atwood there is no such thing as “bad, selfish, or immoral” behavior, only “societal and individual preferences.” Well, again, yes and no. Individuals and societies both have preferences and sometimes these can only be accurately described as bad, selfish, or immoral—a preference for war, torture, genocide, and extinction,

for example. McCoy and Atwood prefer a world, however, in which the angels of our better nature are bound and gagged and hidden out of sight. Efficiency, they assure, is not evil, and I know of no one who says that it is. The issue, however, has to do with the standard by which we measure efficiency. From a narrow perspective, confinement hog farms, for example, are very efficient in raising cheap pork. But if one widens the accounting boundary to include the small farms put out of business, groundwater contamination, lower property values because of the stench, the health of those downwind who are forced to breathe in the plume of ammonia and other pollutants, the occasional disaster that dumps millions of gallons of high-level waste into waterways, the effects of antibiotics on consumers, or (heaven forbid) the suffering of the confined animals, they are anything but efficient. All of these are subsidies to the corporate hog producer that hide their remarkable inefficiency. But to recognize externalities as subsidies requires that one move out of the box of economics into realms having to do with politics and rights and wrongs, which is to say, values.

On the issue of selfishness and self-interest McCoy and Atwood remind us that all God's critters have self-interests, and I agree. But the chain of logic from there on is short by a few links. Selfishness, they propose, is "a strictly subjective term," oddly citing wolves as an example of selfish behavior, and then skip on to say that "self-interested liberals may be trying to figure out how to limit human appetites" and from that assertion leap across the chasm of logic to an irrelevancy reminding "everyone that we have tried economic systems that intensively regulate human behavior—they are commonly referred to as socialism and communism." In other words, there can be no discussion of the volume and quality of consumption, or any about its effects on ecosystems, future generations, or even the consumer without raising the specter of failed totalitarianisms. Nor can there be any discussion about forces such as advertising and cultural wrong turns that increase consumption beyond anything serving rational or humane purposes (Whybrow 2005). Their world is simply preferences without consequences, with no questions asked about how and why some preferences prevail over others.

Predictably McCoy and Atwood take the comforting position that whatever resources we exhaust can be made up by human ingenuity. "When a stock resource is depleted," they write, "a cost commensurate with the loss of capital is incurred, but benefits are also created as there is a conversion to a higher valued product." This is cer-

tainly true in some circumstances, but not obviously so in biology or ecology where the loss of species or degradation of ecological functions, for which there are seldom any human-contrived substitutes, reduces the health and thereby the resilience of the entire system.

Lest I be thought too harsh, I hasten to add that Professors McCoy and Atwood do acknowledge "the existence of many environmental problems." But true to the doctrines of free market environmentalism, their proposed solution is to assign property rights. One solution fits all. Property rights can work in some circumstances, but the actual record is spotty. They do not work in cases where species migrate—how does one own a whale or migratory songbirds? They do not work when people are foolish or shortsighted or ignorant of the effects of their actions, or irrational or just hard-pressed for cash. They do not work very well at the corporate level where the imperatives of short-term shareholder value often lead to capricious, destructive, and illegal behavior in the service of near-term profitability.

Finally, McCoy and Atwood argue that it is not the role of science to "promote activism." Given the activism of economists and free marketeers, this is a curious pontification. Few intellectual enterprises have been as successful or as diligent in promoting a particular point of view as neoclassical economics. And strictly speaking, there is no way to remain neutral on such issues. What often passes for objectivity provides unstated support for the status quo. Silence serves similarly. The better and more honest approach is to use facts, data, and logic honestly while ferreting out the biases, distortions, and what economist Joseph Schumpeter once called the "pre-analytic assumptions" that lie buried in our disciplines, theories, and paradigms. The point is not to exclude economics, but to develop a better economics: one that joins in the wider conversation about the human future and that necessarily includes issues of science, values, directions, philosophy, and intergenerational rights. No lesser conversation does credit to our circumstances, to our wider interests, or to the rights of the unborn. And if ever there was a time to hold a large conversation about the human future, this is it.

Literature Cited

- Gowdy, J., and C. McDaniel. 1995. One world, one experiment. *Ecological Economics* 15: 181–192.
- Whybrow, P. 2005. *American mania: when more is not enough*. Norton, New York.

