
Environmental Politics in the Twenty-First Century: Toward a New Environmentalism

Lynn Scarlett

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She has been a key member of a number of groups working to develop a new model of environmental protection: the How Clean Is Clean working group of the Washington, D.C.-based National Environmental Policy Institute; the Enterprise for the Environment task force headed by former Environmental Protection Agency administrator William Ruckelshaus; the committee charged with making recommendations on revising California's vehicle smog check program; a consulting team charged with evaluating California's container recycling laws; and Project 88, which evaluated market-based environmental policy options.

The author of numerous articles published in both academic and general-interest publications, she also has appeared frequently on television and radio talk shows to discuss environmental policy.

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After three decades of the modern environmental movement, we are at a fork in the road. The old environmental model, premised primarily on tools of punishment and prescription, had some successes, but it also yielded litigation and high conflict: between regulators and industry, between landowners and regulators. Costs sometimes have been high, and innovation often has been stifled.

Over the years, circumstances have changed. Now there are new kinds of problems and a new breed of industry. Before we decide whether to continue the old model of environmentalism or adopt a new one, we need to take a look at the big picture.

Where are we trying to go? Ultimately, the goal is a nation of self-motivated environmental stewards, each of us in our own way advancing environmental protection.

The Era of Mechanics

Before I talk about the future, I want to take a brief odyssey into the past, through three eras in the relationship between industry and environment, beginning in the 1800s. For metaphorical purposes, I am going to call the 1800s the Era of Mechanics. The industrial focus was making available to common people goods that had been accessible only to the wealthy. The production challenge was putting together machinery to mass-produce goods at low cost and relatively uniform quality.

Environmental resources did not appear to be a substantial constraint.

Rather, labor was a constraint, and productivity was a challenge, and simply figuring out how to mass-produce goods was a challenge. Large amounts of relatively abundant energy and resources went into this project of mass production.

Most Americans viewed the environment as a resource to tap into. The Mining Act of 1872 encouraged the mining of resources. The Homestead Act encouraged development of land in the West. Logging on public lands was encouraged. There was little demand for environmental protection in a vast, open country. Indeed, some cities actually celebrated being smoky as a sign of progress. An Indianapolis ad said, "We Are a Smoky City." Occasional disputes about pollution—a farmer might be concerned that a paper mill was polluting a river, for example—tended to be handled on a one-on-one basis in the courts using common law, the law of nuisance, and the law of trespass.

The Era of Chemistry and Physics

The next era—most of the twentieth century—I call, again metaphorically, the Era of Chemistry and Physics. Having accomplished mass production, industry focused on product refinement, new products, better products, better quality, and, to some extent, safety. Through the tools of chemistry, we got pharmaceuticals and new lightweight materials. The era of plastics dawned. We got an explosion of more convenient, better, safer products: con-

tact lenses and then plastic lenses; safety glass, wrinkle-free clothing, the myriad things that make our lives more enjoyable.

The environment gained some importance during this time. We began to climb the ladder of Maslow's hierarchy of values. Most of us had our basic needs satisfied, and we began to be concerned in a larger way about the world around us.

Industry focus mostly remained on product refinement and convenience, but the bottom line pushed industry toward reducing use of materials and abating pollution. They were unintended and unnoticed by-products of the pursuit of profits. For example, we have climbed up the clean fuel ladder in heating our homes. We went from burning wood to burning coal to using natural gas. This resulted in about a 75 percent reduction in sulfur dioxide emissions from residences over the past century.

We began to use less stuff to produce the same output. My favorite example is aluminum cans. In the 1960s it was a sign of virility to crush one. Today I can crush a can with one hand. It used to take about 164 pounds of metal to make a thousand cans; just twenty-five years later, it takes only about 33 pounds. This is an unsung environmental triumph of this century.

What did public policy look like during this era? As environmental values became more explicitly important to people, we began to see local ordinances. By 1950 there were eighty-two local smoke ordinances. Regulations went national with creation of the

Environmental Protection Agency, passage of the Endangered Species Act, and other legislation of the modern environmental era.

In pursuing the bottom line, industry continuously pursued energy efficiency and resource efficiency, but for the most part, pollution was viewed as an annoyance. Industry saw environmental protection as a constraint and an expense, not an opportunity. The industry mind-set was compliance, just as the regulatory agency mind-set was punishment.

The Era of Biology

Now I'm going to zoom into the dawn of the twenty-first century. This I'm going to call the Era of Biology. Increasingly, industry is focusing on feedback loops, knowledge-based production and products, service, and value performance. In this era, we are seeing a sea change in environmental thinking, which is becoming integral to process design and product design. Indeed, the industrial challenge in the twenty-first century, since the low-hanging efficiency-enhancing fruit already has been plucked, is to find energy efficiency and materials use efficiency in small, disbursed opportunities to reduce waste and prevent pollution.

We are seeing a shift to preventing pollution. In a recent study, 77 percent of the firms surveyed cited pollution prevention as either important or very important in their process and product design decisions. Of \$7.2 billion spent in 1993 on pollution abatement, nearly half was spent on prevention, not cleanup.

We've also had an acceleration of dematerialization—using less stuff per unit of output. Reflect for a minute on the CD-ROM. In the past, when you called the phone company to get a phone number, a live operator would rummage through phone books. Today it is all automatic, and one CD-ROM can carry 90 million phone numbers. What does that have to do with the environment? It turns out that that one CD-ROM replaces five tons of phone books.

Think about farmers now mounting computer systems on their tractors. What does that have to do with the environment? These systems allow farmers to conserve fertilizers and pesticides by using the least amount that still maintains yields.

In this Era of Biology, there is growing tension between the prescriptive compliance model of environmental policy and the emerging reality of industrial ecology, in which firms are deliberately incorporating environmental values into their process and product-design decisions. There is also a growing mismatch between the compliance model and the reality of complex, often dispersed sources of pollution (individuals driving automobiles generate pollution, for example).

The compliance model has created disincentives to private stewardship. The Endangered Species Act actually induces people to avoid having endangered species on their property, lest they be punished and deprived of use of that property.

State Policy Trends: Flexibility, Devolution, and Incentives

Now let's turn to the world of public policy, which is my central theme. I want to highlight several policy trends that are occurring particularly at the state level, including here in Minnesota.

The first is a move toward flexibility. While Congress and the EPA remain locked in paralysis on environmental issues, a lot of states are experimenting with flexibility, with abandoning the permit-by-permit approach and instead giving industry the flexibility to solve its own problems. Massachusetts, with its alternative compliance program, jettisoned some 16,000 permit requirements. An individual firm can simply create a plan for achieving certain emission-reduction goals for air and water, do self-audits to confirm that it is reaching the goals, occasionally be monitored to ensure that in fact it is doing what it says it is doing, and thereby not have to get a new permit for every process change.

Just how important is this? For a company like Intel, with new products every six months, having to wait eighteen months to get a permit for a new process is crippling. Flexibility not only enables businesses to be competitive, it also enables them to be stewards and to figure out how they can best help clean up and maintain the environment.

Second is a trend I call devolution and place-based decision making. This is not a wholesale devolution of all policy from Washington to states or even

cities, but many environmental problems do have local boundaries. Many states have introduced programs to clean up brownfields—often abandoned industrial sites in inner cities. They have not gone the way of our federal Superfund hazardous waste clean-up program, but instead have introduced a much more balanced approach in which they determine the future use of the property. Is it going to be a parking lot or a residential site? If it is going to be a paved parking lot, we don't need to clean it up as thoroughly as we would need to if it were going to be a residential site. Not all situations are alike, and unlike situations need unlike solutions. A landfill in the Everglades is not like a landfill in Scottsdale, Arizona.

The third trend is incentives, robust private stewardship, and experiments that focus on performance. Consider, for example, Colorado and Louisiana. Both are considering rebates for stellar environmental performance. Colorado has introduced a ranching-for-wildlife program: landowners who maintain habitat for elk, for example, are allowed to sell elk-hunting permits and thereby benefit from maintaining that habitat.

Some states are experimenting with what we call reverse bounties. If you are a landowner in, say, Montana and you protect the land so that a grizzly bear can live on it, you get a reverse bounty—a payment, a reward. The focus is on results rather than enforcement.

Aren't we focused on results—clean air, clean water—already? Yes, but the tools have been tools of enforcement. EPA reports on the number of enforce-

ment efforts. Enforcement is a poor proxy for results: cleaner air, clearer water, less waste, and so on.

Illinois introduced its Clean Break amnesty program. They went out to small businesses, dry cleaners in this case, and they said, "We know you probably don't have environmental engineers on your staff to help you figure out how to handle your solvents. If you come to us for help, you will be exempted from the traditional fees and fines provided that you actually resolve the problem."

Iowa, instead of going the old route and regulating pesticides, got the farmers and the ag extension folks together to work out jointly a plan to use less pesticides while still preserving yields.

New Challenges: Fairness, Participation, Measurement, Balancing Risks

These changes bring new challenges. As we begin to move to place-based decision making, questions of participation and fairness become important. Who is at the table? What is the role of outsiders? We have the Quincy Library example in California, where local folks got together and hammered out a resolution to management of a very large chunk of watershed. External groups that objected to the plan tried to derail the process.

New fairness issues are raised as we begin to trade pollution permits. What if, for example, clean new industries on the periphery of cities trade their credits to firms in inner cities? Are we going to have an imbalance, and what do we do about that?

Performance measurement is another issue. Former Environmental Protection Agency administrator William Ruckelshaus told me that when he started out in environmental regulation in the 1960s, they measured particulates by putting what they called dustball buckets on rooftops and seeing what fell in. That was state-of-the-art measurement, and we are just a few decades beyond that. Our focus on enforcement has meant that sometimes we have not attempted to develop better measurement tools. We don't necessarily know how clean things are.

Finally, I want to mention what I call risk tunnel vision: attempts to maximize reduction of a single risk. Eliminating chlorine, for example, is a Greenpeace goal. Getting something off the elemental chart is quite a challenge!

There is tension between risk tunnel vision and what we at Reason Foundation are calling a risk ledger approach in which decision makers understand that the world is full of risks and the challenge is to balance them.

I came across a book that was published in conjunction with an 1890s world's fair held in the United States. The organizers of the fair asked a number of noted writers to predict what the world would look like in the 1990s. Their prognostications appeared in newspapers across the land. Before I make my own predictions, I want to invoke a little humility and mention three of theirs: The law would be greatly simplified, they predicted, so fewer lawyers per capita would be needed. Crime would occupy but little of the thoughts of mankind. And the advent

of the telephone would drastically reduce the cost of running elections and campaigns since candidates would no longer have to travel the country by rail.

So much for predictions.

On that note, I feel confident in making only a couple of predictions with respect to the environment. The first is this: Stuff happens. By that I mean that unexpected events always derail predictions. The second is more concrete: Richer is safer, and wealthier is healthier. Increases in per capita income have been associated with environmental cleanup all around the world. Maintaining that momentum means maintaining productivity.

Following her speech, Scarlett took questions from her audience, including American Experiment Distinguished Senior Fellow Tim Penny.

Tim Penny: The Clinton administration made a big thing of reinventing government and made a number of pronouncements about how they were going to change their approach to environmental policy. In what areas did they achieve appreciable results, and to what extent was it just rhetoric? On balance, what sort of score do you give the Clinton administration in terms of living up to the new approaches that you have described?

Lynn Scarlett: The Clinton administration and [EPA head] Carol Browner did make some pronouncements that were compatible with the approach I described. Browner talked about common sense, and they embarked on what was called Project XL, which was

designed to allow for some flexibility in how companies clean up and maintain plant sites. The problem is that there has been what I call a “say-do gap.” There have been many pronouncements, but they’ve fallen way short in implementation. Project XL is a case in point. Here in Minnesota, companies spent a great deal of time negotiating with local regulators and with regional EPA representatives only to find that in the end the negotiations were scuttled because people simply could not agree on what was okay and what wasn’t.

There has been a lot of lingo, but much less action that really moves us forward.

Tim Penny: Are there any assumptions built into environmental policy that may look good on paper but don’t really lead to serious progress?

Lynn Scarlett: The EPA remains focused on the number of enforcement actions. The problem with that is that you can have a large number of enforcement actions on relatively minor violations. Some enforcement actions are not about putting dirty stuff in the river, but about procedural violations: you did not report this, you did not have that permit, and so on.

Another problem is the Toxic Release Inventory, established in the mid-1980s, which requires that certain kinds of companies report certain kinds of toxic emissions by amount generated. President Clinton reports that this has been enormously successful: look at the amount of reduction in those particular toxics—isn’t this a sign of success of this measure and that

disclosure? But one pound of X is not necessarily equal to one pound of Y. Some things are much more toxic than others. To some extent, we have reduced the substances listed in the Toxic Release Inventory but shifted to other chemicals and other risks that may be riskier but are not listed, or shifted from one listed chemical to another that is highly risky. In this example, the measurement tool really isn’t telling us if we are better off.

Let me give one other example. One of the big problems with auto emissions-check programs is that we have no idea whether they work. They have been in place now for well over a decade—in California for two decades. The EPA measures whether they work through a computer model that asks: Do you have once a year or twice a year testing? Do you use this kind of equipment for your test, or that kind of equipment? Do you test in a central facility? Success is defined by the number of points you get in the computer model—not on cars getting cleaner and the air getting cleaner.

Tim Penny: Many environmental policies require that we protect against the smallest risk to human health. What should we do to balance the scales a bit?

Lynn Scarlett: This is a tricky issue. The 104th Congress tried to battle this out by introducing a risk assessment policy, which failed to pass. The argument typically has been cast as dollars versus risk: the lower the allowable amount, the higher the expenditure to get there. It’s the law of diminishing

returns. The problem with making the argument in that way is that most folks tend to at least feel that it is not right to put a price tag on human health and well-being.

Citizens need to understand that there are risks in chasing after a pollutant until you can no longer measure it at all. The Clean Water Act states essentially a zero-emission goal, so that sometimes the results you are supposed to achieve actually are cleaner than the environment in its natural state. You end up expending a lot of dollars—yet risks may pop up somewhere else.

Let me give you a very simple example: chlorination of water in the United States is associated with helping to prevent cholera. A zero-chlorine goal, which is what Greenpeace has proposed, would suggest that we dechlorinate the water. We might reduce by some infinitesimal amount the cancer rate of a population over a seventy- or eighty-year life span. In the meantime, we might substantially increase the near-term risk that people will get waterborne diseases. In South America, where they reduced their chlorination, they recently had a large outbreak of cholera. We don't know if it was cause and effect, but it certainly happened simultaneously. These risk-risk tradeoffs are real.

Merlyn Scroggins: I'd say that my grandchildren are not educated but indoctrinated about the environment. What they are being taught doesn't make sense. Are you managing to get into the educational system to overcome some of that?

Lynn Scarlett: Colleagues of mine who are working diligently on environmental education have a contract with a major textbook publisher. Most of my organization's educational efforts are through articles in newspapers and magazines like Reader's Digest. We are building a Web site. We publish reports, and we have something called The Plain English Guide to the Science of Climate Change. I gave one of my staff members who has a doctorate in environmental science the daunting task of reading all 800 pages of the initial report of the Intergovernmental Panel on Climate Change. I asked him to simply go through the report and in a very dispassionate, neutral way summarize what we know and what we don't know. We do our little bit, but there are others who more specifically get into the elementary school level, which is really where it is needed.

Tom Steele: I believe that the environmental organizations have been co-opted by persons whose real agenda is collectivization. The battle isn't really between environmentalists and polluters; it is a battle to promote federal or state centralized control. How do we deal with that element?

Lynn Scarlett: Having spent fifteen years in this realm, I want to challenge the premise a little bit. Eighty-five percent of Americans call themselves environmentalists. Those we refer to as environmental activists actually come in many forms and shapes. My experience is that many local environmental groups are very much focused on solving specific problems. They might want

to clean up an urban creek. There might be a specific erosion problem. There might be a particularly rich habitat, and they will work diligently to find the resources to buy that land and preserve it. Many environmentalists are engaged in problem solving.

There are other environmentalists and, particularly at the national level, some organizations that don't like seeing environmental decision making move away from the federal level because it is much harder for them to control the agenda if it is disbursed in 50 states or 100 cities or 200 locales than when it is all centralized in Washington. So there is a political struggle.

The collectivist issue—yes, there is some of that. There is no question that some folks who advance an environmental agenda do distrust the decisions that emerge out of a decentralized marketplace, and they do think the better way to go is collective decision making. I remember being at a conference at which a fellow from Friends of the Earth set forth a plan to mandate a maximum American home size. Another individual wanted to ban use of toothpaste and toothbrushes in India because, as he pointed out, before toothpaste, people there used sticks and that was perfectly adequate. But there were only a few folks like that, and this does not dominate the current policy debate.

A lot of environmentalists are genuinely interested in figuring out how to create an arena of self-motivated environmentalists, so that each of us is an environmental steward in the context

of our own lives and the choices we are making.

I'm going to say one other thing on this point about a bugaboo of mine. Many supporters of a free market make the mistake of thinking that if an environmentalist says climate change, for example, is a problem, and since typically environmentalists advance regulations or controls that we don't like, then our position has got to be anti-global warming. That's as problematic to me as the reverse: someone who is creating problems that aren't real or exaggerating minimal problems. Equally problematic is someone who for reasons of politics and ideology won't even examine whether some problem might be real. There has been some of that, too.

Candace DeRussy: Some of us have the impression that this issue has been very politicized and is, in fact, often used by politicians in a demagogic way. Is that the case, and can we anticipate more of it?

Mitch Pearlstein: And how is Minnesota doing?

Lynn Scarlett: The pursuit of environmental goals is deeply politicized, and in a very partisan way. In Washington right now, there are a number of folks, Reason Foundation included, working on a bipartisan basis to achieve greater flexibility, incentives, and so on, but one of the dynamics we come up against is this: Why should the Democrats give anything to the Republicans on this front? Why should they give them a win even if it seems

sensible? The reverse is often true, too. I cannot tell you how many times I run into Republicans who oppose a solution simply because the Democrats advanced it.

Minnesota, like all states, is a mixed bag. The Minnesota Pollution Control Agency is part of the move to rethink how we do things. It has explored having regional offices rather than offices based on solid waste, air, and water. When you are based that way, there is no prospect of balancing among risks. The MPCA has been at the forefront of thinking about flexibility. On the other hand, you still have vestiges of the enforcement mind-set.

I would like to see environmentalism depoliticized. That might seem completely illusory, but it actually occurs when you have local decision making. In cleaning up brownfields, for example, the people who are making decisions both bear the burden of any risks from maintaining that site in a dirty status and enjoy the benefits of having that land brought back into productive use. They are much more likely to engage in balanced negotiation than rule makers in Washington. That is one of the attractive things about devolving decisions whose boundaries are local: it may take some of the political teeth out of the discussion.

Tim Penny: Governor Ventura has said that we ought to build incentives

for government and individuals to do the right thing. He has also talked about measuring for results rather than regulation. As his commissioners carry forward that philosophy into the way they manage their departments and achieve their objectives, we are going to see some changes in the way Minnesota government operates. That is reflected in his appointment of Karen Studders to head the Pollution Control Agency. She has come out of industry, but was trained in environmental sciences and has worked throughout her career to define commonsense solutions.

Nationally, the big challenge is getting Congress to let go and allow innovation to occur closer to where environmental problems manifest themselves. We need a centrist coalition of Democrats and Republicans to get us off the polarized extremes and help us discuss this issue more rationally.

There are some hopeful signs. Mayors from across America, including liberal Democratic mayors and black mayors, are leading the charge for modification of environmental regulation in a variety of areas. They are, for example, asking for flexibility in cleaning up brownfields according to the purposes for which the land will be used—often a purpose that will create jobs.

We have to change the way this issue is debated. n