

6 Dancing with Environmentalists

As evidenced by the barrage of greener-than-thou proposals involving slower growth, higher taxes, more regulation, and more centralization, the environmental cause has been captured by people who are uncomfortable with markets and capitalism. Environmentalists bemoan the lack of federal solutions to challenges such as species and habitat preservation, forest management, clean water and air, and global warming. Politicians respond by battling for the regulatory high ground. In fact, the current amount of green regulation in the air could leave everyone gasping for breath. Evidence suggests that a better way to exercise responsible stewardship over natural resources is through local initiatives and markets.

The greener-than-thou movement also includes religious and business leaders who strut their green colors by wrapping themselves in regulatory red tape. Those religious leaders use the pulpit to remind their parishioners of their charge to be stewards of the earth and of the necessary restrictions to correct the failures of humans. And like-minded business leaders call for regulations in the name of a greener planet, knowing that the main benefit to them will be restrictions on competitors.

Despite the strutting, preaching, and lobbying, countervailing movements are on the rise. As discussed in chapter 2, Aldo Leopold embraced the American tradition of private ownership, pined for a stewardship ethic, and advocated compensating landowners who conserve. Leopold may finally be getting his wish via the collaboration of private individuals and groups using voluntary means to preserve

land. A proliferation of private land trusts, for example, is protecting evermore land by negotiating with landowners for conservation easements through donations or outright purchases. The *2005 National Land Trust Census Report* showed total acreage conserved by local, state, and national trusts doubling from 2000 to 2005 to reach 37 million acres (Land Trust Alliance 2006). And the number of land trusts has grown to 1,667—a 32 percent increase from 2000 to 2005. This trend “taps deep principles in the American tradition” according to former EPA administrator G. Tracy Mehan (2007, 24).

More reliance on markets to improve environmental quality is not to say that all environmental regulations have been counterproductive. Air and water are cleaner today (see chapter 3), thanks in part to government involvement. Bald eagles have been removed from the endangered species list, though the cause is less from the Endangered Species Act and the ban on DDT and more from the improved habitat on private land. And more than 100 million wilderness acres have been set aside from even use by mountain bikers, let alone loggers.

But have the regulations gone too far? There can be little doubt that they have come with bloated bureaucracies spending billions of taxpayer dollars to achieve environmental gains that could have been realized for much less (see chapter 4). For example, bureaucrats have virtually halted logging in national forests by creating a mass of regulations that are strangling public land managers. Forest Service chief Dale Bosworth (2001, 6) called this “analysis paralysis.” The result is that millions of acres are not being husbanded at all, exacerbating the already heavy fuel loads caused by a century of counterproductive fire suppression (Berry 2007). As a result, one spark can cause wildfires costing millions to fight and releasing billions of tons of carbon into the atmosphere. Such nonmanaged lands are also some of the least conducive for wildlife.

Free market environmentalism requires viewing the environment as an asset to be conserved and preserved by private owners rather than considering it a problem to be solved and sustained by govern-



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ment. To do so, we must ask, How can the Forest Service be reformed to reward the prevention of costly forest fires? How can safe harbor agreements turn endangered species into assets? And how can waste areas be transformed into golf courses and mountain biking parks?

To answer these questions and to create more environmental improvements, free market environmentalists must find ways to dance with traditional environmentalists. Conservation writer Jon Christensen (2005) put it well when referring to partisan politics: “It seems at least some in the Grand Old Party have realized they need to learn how to dance with conservationists. . . . Just a word of caution: don’t be surprised if your toes get a little tender.” The following dance steps offer a starting point for moving beyond seeing the environment as a problem and instead transforming the environment into an asset.

Enviro-Tango

If greener-than-thou environmentalists are more interested in regulations than results, there is not much reason to search for a dance

partner when the music starts. But if it is tangible environmental results that they want, free market environmentalists are ready to party—and it takes two to tango.

The bumper sticker “Think globally, act locally” provides a starting point. Traditional environmentalists are good at thinking globally, but their solutions too often call for using large organizations to lobby for national and transnational regulations.

Free market environmentalism, in contrast, supplies local cooperative solutions. To dance with environmentalists will require free marketers to demonstrate how bottom-up solutions grounded in secure property rights can work around the globe. Recall the story of the local Bolivian farmers who return their deforested farmland into cloud forest by creating bee farms, which yield profit from honey production, create clean water downstream, and save one of the most fertile yet fragile migratory bird sanctuaries in the world. That program, begun by Natura Bolivia (Asquith 2006), continues to expand the number of cloud forest acres protected from the chainsaw and solidify the property rights of the forest landowners by providing them with beehives and, most recently, barbed wire.

That local action, which has protected a few thousand hectares, might seem trivial on a global level, but such entrepreneurial actions not only scale up as they are mimicked by others but are inherently sustainable because they make both ecological and economic sense. Natura Bolivia is now partnering with groups in southern Africa and southeast Asia to see how its approach on the Rio Negra can be applied globally. This type of global replication of local success will synchronize the dance steps of traditional and free market environmentalists.

Although much contemporary environmentalism is intrinsically antilocalist—preferring public regulation to private action and international treaties to local initiatives—the Center for Conservation Incentives (CCI) is an environmental group that is making an enormous impact by putting local first. Understanding that landowners want

what is best for their land, CCI (a division of Environmental Defense Fund) is partnering with farmers, ranchers, and private forest owners to protect resources such as endangered wildlife while continuing to keep the land in economically viable production.

That incentive-based management strategy is just getting off the ground. Not long ago, conservation relied on retiring land from agriculture and restoring rare species and their habitats on public lands such as parks and wildlife refuges. And landowners saw a lot more sticks (regulations and lawsuits) than they did carrots (incentives).

Two factors have been key to the successful dance between traditional environmentalists and landowners. First, with nearly three-fourths of the lower forty-eight states privately owned, tackling the nation's most pressing conservation challenges requires active involvement by private landowners. Second, as Leopold predicted, the best means of advancing conservation on private lands is to combine incentives to private landowners for implementing and maintaining conservation measures with a stewardship ethic. In the words of CCI, "to save our natural resources, we need to focus on private property, and voluntary efforts by private landowners Incentives can accomplish what laws and regulations cannot" (Center for Conservation Incentives 2007, online).

Recall the story of the red-cockaded woodpecker (chapter 2). Despite, or perhaps because of, decades of land regulation under the Endangered Species Act, the red-cockaded woodpecker (RCW) continued to decline. It was not unusual in the mid-1990s to see license plates such as the one on Dougald McCormick's truck that read "IEATRCWS" (McMillan 2005). Why? Because longleaf pine forest owners in the North Carolina sandhills and elsewhere have seen their land use regulated if it poses a threat to the birds. Beginning in 1995, however, North Carolina landowners, with the help of Environmental Defense Fund, helped create the Sandhills Area Land Trust. Attorney Marshall Smith dubbed the area a "Safe Harbor"—reflecting the policy's benefits for both wildlife and landowners. Safe Harbor agree-

ments encourage private landowners to restore and maintain habitat for endangered species without fear of incurring additional regulatory restrictions.

Today, longleaf foresters in seven states have enrolled more than 600,000 acres under Safe Harbor agreements, and woodpecker family groups have increased by at least 10 percent on those lands. And what about McCormick's license plate? Turns out he was one of the first to sign up for Safe Harbor. These days a sandhills landowner is more likely to be seen driving around with a license plate that reads "IGROWRCWS" (McMillan 2005). By growing the endangered red-cockaded woodpecker, McCormick also helps grow longleaf forests and his bottom line.

McCormick's tango with environmentalists goes as follows:

Step 1: Extend your arm to your partner and agree to be true "local yocals." As demonstrated by Bolivian farmers and the Center for Conservation Incentives, landowners want what is best for their land. Local groups can take numerous actions to improve and protect water and air quality, wildlife habitat, and open space. Recall the story of the Wisconsin farmers (chapter 2) who worked with the Fish and Wildlife Service to create the Farming and Conservation Together Committee (FACT). This local group blocked the federal formation of the Aldo Leopold National Wildlife Refuge because they believed like Leopold that land managed by its owner is better cared for. "We really need people to have a chance to point at a map and say 'this is my land, and this is what I know about it,'" explained Jeb Barzen, director of field ecology at the International Crane Foundation and adviser to FACT (Aldo Leopold Foundation 2002). By putting local first, FACT has begun putting into practice its vision of wildlife and agricultural enhancements in central Wisconsin.

Step 2: Get in step with environmental groups focusing on how to "get 'er done." Local land trusts have specific and measurable goals, such as preserving open space, keeping land in farming, or building trails, making it easy to see if they are "getting 'er done." On the other hand, greener-than-thou groups that lobby for more environ-

mental regulations for directing private landowners to provide access or preserve endangered species habitat, or for increases in federal landownership are not prime candidate for dance partners because their measure of success is passing a law, rather than environmental improvements.

Power-to-the-People Polka

In order to “Roll Out the Barrel” with politicians and bureaucrats, governmental self-interest must be channeled to make the environment a political asset rather than an additional dollar in a bureaucratic budget. Politicians and bureaucrats have traditionally approached the environment as a problem in need of regulation. “No One Washes a Rental Car” (chapter 4) is just as much a truism in government as it is in business. Ways must be found to harness the self-interest of politicians and bureaucrats, to give them ownership, and to improve environmental quality.

Fortunately, good models abound. In 2000, Congress created the Valles Caldera National Preserve composed of an 89,000-acre working ranch in New Mexico that had been acquired by the national government. Instead of adding this ranch to the lands of the U.S. Forest Service or the Bureau of Land Management, Congress created a local public trust to manage the property. It mandated that a majority of the board members must be from New Mexico and that board meetings must be held in public and involve the local community. Although the trust currently receives some funding from the federal government, it is tasked with making the preserve self-sufficient through fees for entrance, grazing, and recreation (Yablonski 2004). Valles Caldera represents not only a fresh perspective to existing federal park management but a return to the original vision of national parks as financially self-sufficient. Yellowstone National Park, for example, originally garnered enough revenue to fully cover its costs (see Anderson and Hill 2004).

Another example of the potential for innovative management

based on changing bureaucratic incentives comes from the U.S. Forest Service. In 1998 a group of forestry experts met to discuss issues they faced in managing public lands (for details, see Kemmis 2008). This group proposed the creation of “Region Seven”—a region of public lands made up of experimental forests scattered across the nation. (In 1965 Region Seven was officially absorbed into Regions Eight and Nine, thus eliminating the old Region Seven.) The proposed new Region Seven would include national forest areas from all the other regions that would serve as test areas for experiments with new management regimes. Managers of these forests would be given the freedom to formulate their own environmental objectives and management policies. Although the proposal has yet to be passed into law, it has received serious attention and represents a way of cutting the Gordian knot, which is currently restricting management.

Much also can be learned from the use of fees for public recreation areas. The Recreational Fee Demonstration Program, which was instituted in 1997, authorized 100 percent of the revenue generated from fees to be retained by the managing agency, with 80 percent remaining at the site where they were collected and 20 percent for use agencywide. Those fees have been used to complete deferred maintenance projects on trails, campgrounds, sewer systems, and visitor centers and to conduct research.

Hoping to make the program permanent, land management agencies, including the National Park Service, the Forest Service, the Bureau of Land Management, and the Fish and Wildlife Service, lauded the program in their Fee Demo Program Progress Report to Congress (U.S. Department of the Interior 2004, 7):

The Fee Demonstration Program represents a major innovation in the management of federal recreation activities. Allowing Fee Demo revenues to be retained by the collecting site has strengthened the incentive to collect fees and has enhanced the ability of federal managers to address high priority needs. . . . [A] permanent recreation fee that encompasses all of the federal land management agencies is

not only desirable but can be managed in a manner that is sensitive to each agency's mission, lands, and recreational opportunities.

As a result, in December 2004, Congress enacted the Recreation Enhancement Act, giving federal agencies a long-term, multiagency recreation fee program.

Turning to water, although the Clean Water Act has improved the nation's waters, albeit at a high cost, it could do even more were it to pay attention to incentives. For example, fertilizers from farms make their way into major waterways, resulting in marine dead zones in coastal rivers and bays (see Raloff 2004). This pollution could be cut significantly if a nutrient trading system similar to that for sulfur emissions were put in place. (Nutrient trading is the transfer of nutrient reduction credits, specifically those for nitrogen and phosphorus, between buyers that purchase nutrient reduction credits and sellers that offer nutrient credits for sale.) Such trading can reduce the cause of the environmental concern rather than promote a specific set of practices.

Fortunately, nutrient trading has already begun. In 2002, the Environmental Protection Agency renewed its support for a market-based trading system with a proposed water-quality trading policy. Many regions have developed effluent trading programs. By allowing dischargers the choice of reducing their own wastewater or paying others to do so, costs can be reduced and target reductions attained more rapidly.

North Carolina's Tar-Pamlico trading program serves as an example. After numerous fish kills in the Tar-Pamlico Basin, the state's Division of Environmental Management created a strategy to reduce nutrient inputs from around the basin. To avoid tighter permit limits and reduce the cost of meeting load-reduction requirements, municipal and industrial dischargers formed the Tar-Pamlico Association (Grippio 2003), which formalized a pioneering trading program between point and nonpoint sources of nutrients in the watershed. In-

stead of individual nitrogen and phosphorus limits for each discharger, the association shares an overall nutrient discharge cap, which it enforces by allocating discharge limits among its members. The association's agreement with the state stipulates that, if the collective annual nutrient caps are exceeded, a fee for every excess kilogram of nutrients will be placed into a fund that pays farmers to implement "best management practices" that reduce nutrients. Cap and trade programs are not always successful, but in this case the Tar-Pamlico Association has kept nutrient loading well within the set discharge limits—even with significant economic growth in the basin.

The potential for dancing with greener-than-thou policy makers is great if we think about harnessing self-interest in the political sector. Here is how to start the polka:

Step 1: Put your foot forward with policy makers interested in making environmental quality an asset rather than a problem that simply adds dollars to budgets. Charging fees for parks and forests and allowing those fees to stay with the resources where they are collected results in enhanced stewardship and better "customer" service. Rewarding private landowners who improve endangered species habitat takes endangered species off their enemies list. Such changes may fall short of fully private solutions, but a short quick polka is better than no dance at all.

Step 2: Just as the polka has a chassé to the left and the right, setting standards and allowing flexibility in meeting those standards needs to be part of the bureaucratic polka. In the case of nutrient trading, the chassé to the left allows EPA officials to set standards and the chassé to the right gives the private sector, with more local knowledge and entrepreneurial drive, the freedom to find effective ways of achieving those standards. The result is faster and cheaper water cleanup. Similarly, the proposal to establish a Region Seven of the Forest Service would give local managers the ability to formulate environmental objectives and management practices that will meet those objectives.

Deity Disco

Greener-than-thou preaching has found its way to pulpits across America. The Associated Press reported on November 1, 2007, that religious leaders are finding ecological issues hard to resist. In 1998, mainline Protestant churches lobbied for the passage of the Kyoto Protocol. In 2002, 1,200 religious leaders sent a letter to senators urging energy conservation as a “morally superior” alternative to drilling for oil in Alaska. And in 2006, the Evangelical Climate Initiative (ECI) was launched in what was described by its organizers as a Bible-based response to global warming. The eighty-six prominent signers argued that “this is God’s world and any damage that we do to God’s world is an offense against God Himself.” Moreover, ECI proponents claimed that “most of the climate change problem is human induced” and made predictions that “millions of people could die in this century” (quoted in Acton Institute Press Release 2006).

Religious leaders, according to Michael Barkley (2007) with BeliefNet, should

remain skeptical of this effort to transform unsound science and policy into a moral crusade. . . . Sound environmental stewardship requires reasoned, prudent judgments about the earth that take into account the best science available and the incentives for human action. Competitive pressures in the marketplace encourage energy conservation by entrepreneurs, especially when the costs of using a resource rise due to its scarcity in a time of great demand. . . . Thus the market helps to see that the good environmental steward is properly rewarded for his efforts without harming the most vulnerable among us.

Religious organizations can and do play a vital role in promoting environmental quality by providing an ethical foundation for stewardship. On the grounds that humans are stewards of God’s earth, religion teaches us that we have a responsibility to use natural resources wisely and to leave an environmental heritage for future generations.

This ethical foundation adds to that called for by Leopold; but just as his land ethic requires getting the incentives right, so does a religious ethic calling for stewardship of God's earth. Getting the incentives right requires making individuals accountable for their use of resources and rewarding them for good stewardship. Such an individual accounting system is consistent with most religious teachings. Indeed individual responsibility is at the heart of most religions. Doing the "deity disco" requires finding common ground through environmental ethics and private ownership. Christian economist Peter J. Hill (1988, 25) captures the essence of how Judeo-Christian principles fit into free market environmentalism:

Establishing private property rights is not the entire answer to our natural resource problems. We also depend upon a high degree of responsibility, tolerance, and mutual understanding. However, since such attitudes have never universally prevailed, moving away from private ownership toward public right will not help the situation; rather it will worsen it.

Hill's point is much the same as Leopold's. Ethics—religious or environmental—condition the way we use our natural capital, but these alone are not enough. Institutions, especially private property rights, are crucial to stewardship.

Where devolution to the individual level may not be efficacious, local communities, as opposed to global initiatives, are the place for action. Consider the New Brunswick, New Jersey-based GreenFaith, an interfaith coalition that works to protect the environment by strengthening people's spiritual ties to nature. As GreenFaith's website attests, "Religious communities are a powerful untapped force for environmental leadership." GreenFaith encourages local religious institutions to act on the link between religion and the earth by publicizing methods of environmental stewardship.

St. Mary's Catholic Church in Colts Neck, New Jersey, is a fine example of a religious community, in partnership with GreenFaith,

actively caring for the environment. Father Ed Griswold, of St. Marys said, “As a parish pastor it has been most satisfying to see the effect that our involvement with GreenFaith has had on our community and our awareness of contemporary environmental concerns. As never before we are wrestling with the issues and ways in which we can implement new practices and programs that are both environmentally smart and doable.” With GreenFaith’s guidance the church has reduced its energy use by 10 percent, participated in voluntary water-pollution testing programs, participated in annual beach cleanups, and partnered with other religious groups to raise environmental awareness. New Jersey governor Jon Corzine gave the Environmental Leader of the Year award to GreenFaith’s executive director, Fletcher Harper, for the group’s positive influence in the state (GreenFaith).

Doing the Deity Disco requires three basic steps.

Step 1: Embrace informed ethics—secular or nonsecular—as a part of environmental stewardship. We can learn to reduce our effluent and our resource use and to respect the rights of others to environmental quality. Mixing religious ethics with environmental ethics can be a good thing, but we must take care not to follow ethics that result in more environmental degradation. Recycling, for example, can be both ethical and economical, but if more resources are used than are saved in following a recycling ethic, then the result is not environmental stewardship. Curbside recycling, for example, requires that more trucks be used to pick up the same amount of waste. This means more iron ore and coal mining, more steel and rubber manufacturing, more petroleum for fuel, and more air pollution. In the case of curbside recycling environmental costs exceed benefits (see Benjamin 2004).

Step 2: Shine the strobe light directly on the potential for nonsecular community solutions. Religious ethics encourage people to “do unto others,” to give unselfishly, and to not be free riders, ethics that can be an integral part of producing fresh air and clean water without resorting to governmental solutions at ever-higher levels. In addition to GreenFaith, the Christian Community Development program is



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proving, with more than six hundred organizations in forty states, that grassroots, community-based ministries led by people who have made the community their own are highly effective. The focus, according to the Christian Community Development Association, “is on the community members seeing themselves as the solution to the problem, not some government program or outside group that is going to be their salvation” (www.cdda.org).

Step 3: Don’t step on the toes of your partners by resorting to political solutions. Those who embrace economic freedom and efficiency should recognize that ethical values are no less important than material values. Those who embrace religious values should acknowledge that economic freedom and efficiency provide the wherewithal to overcome poverty and thereby to improve environmental quality as discussed in chapter 3. Resorting to political solutions necessitates stepping on other people’s toes. Trying to trump ethical values with regulations and subsidies in the name of economic efficiency can mix material and ethical values. Trying to trump economic efficiency and personal freedom with politically imposed ethical values can stifle productivity and create unnecessary

conflict between material and ethical values. As in all dances, avoiding the toes of your partner is likely to result in a more enjoyable and productive relationship.

Business Bop

Corporate leaders commonly argue that environmental regulations are too expensive and that they will therefore cripple business enterprises and cost jobs. The standard argument is that there is a trade-off between environmental quality and economic growth. As discussed in chapter 3, however, data suggest that economic growth provides the foundation for environmental improvements, when people who can afford to demand environmental quality do so. Accompanying the argument that environmental regulations cripple business is the argument that governments engage in a “race to the bottom” by weakening regulations to attract business. Again, however, the data do not support the argument. To the contrary, environmental quality can actually become a magnet for business by making a location more attractive for employees (see Fleck and Hanssen 2007).

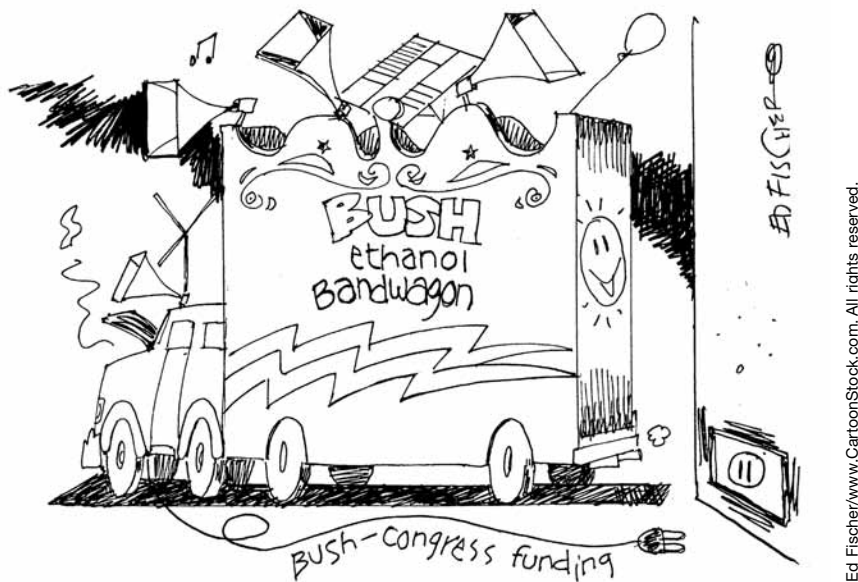
Such tired arguments are being replaced by new green business strategies. As Adam Smith noted in 1776, “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices” (p. 152). Today he might have added that, “just because they meet under a green banner, the impact on the public and the environment are likely to be the same.” Under a greener-than-thou guise, businesses try to sway environmental policy by attempting to set the political agenda and to influence regulations and legislation to protect their interests (see Kamieniecki and Kraft 2007). What appears on the surface to be green, however, may simply be the traditional use of regulation as a ruse to control competition.

The best-known account of greener-than-thou regulation resulting in browner air is the story behind the Clean Air Act amendments of 1977. Environmentalists wanted a reduction in sulfur emissions from

coal-fired generating plants in the Midwest on the grounds that they were contributing to acid rain in the Northeast. Because the technology for scrubbing the sulfur dioxide from the emissions was expensive, industry resisted. An alternative proposed by western low-sulfur coal providers was to burn more low-sulfur coal and thus meet the air-quality standards without the expensive scrubbers. Not surprisingly, eastern coal interests, especially those in West Virginia, were opposed. An unholy alliance among environmental groups, industry, and eastern coal miners resulted in amendments that required installing scrubbers on new plants but grandfathered in the old ones. This allowed existing plants to avoid installing the expensive technology, raised the cost to new competitors, kept high-sulfur eastern coal the main source of fuel, and reduced some SO₂ emissions. After the fact, however, it is now clear Americans get dirtier air and higher-cost electricity than had we simply set an emission standard and allowed generators to meet it as they saw fit, in this case by burning low-sulfur western coal.

Law professor Jonathan Adler notes that “green politics is still politics.” Given that we spend nearly 2 percent of GDP on pollution control, “seeking regulatory policies that will carve out niche markets or obstruct competition becomes an increasingly profitable investment” (Adler 1996, 26). For this reason, we should not be surprised that the Business Council for a Sustainable Energy Future, a coalition of natural gas, wind, solar, and geothermal energy producers, supports major cuts in greenhouse gas emissions or that electrical utility companies lobby to require the sale of electric cars in major markets such as California and support subsidies for the purchase of electrical cars. This type of greener-than-thou rhetoric may not improve environmental quality, but it likely improves the bottom line for the coalition companies.

One of the most egregious examples of greener-than-thou energy politics is the subsidized production and required sale of ethanol. Such subsidies have encouraged farmers to plant more and more corn on marginal lands that would otherwise be wetlands, forests, or wildlife



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habitat. On these lands they use more pesticides, herbicides, and water, which is often pumped from already stressed aquifers. Even some traditional environmentalists are recognizing that ethanol production does more to fill the pockets of farmers and agribusinesses than it does to improve the environment. A report from Environmental Defense Fund points out that corn-based ethanol production can exacerbate water table declines in the Ogallala Aquifer (a vast aquifer encompassing eight states beneath the great plains), with new ethanol plants already taking 2.6 billions gallons a year. The report estimates that 4.6 million acres of lands currently in the Conservation Reserve Program may come back into corn production (see Roberts et al. 2007). In *Sierra*, the magazine of the Sierra Club, Paul Rauber (2007) notes that “corn-based ethanol’s contribution to fighting global warming is marginal at best. A debate is raging, in fact, over whether ethanol takes more energy to produce than it provides.”

Another greener-than-thou business strategy is referred to as meeting the “double bottom line,” meaning that businesses are trying

to be profitable and environmentally responsible (or triple bottom line if “social responsibility” is added). Retailers tout their environmental consciousness by giving away energy-saving light bulbs, companies claim to be green because they invest in alternative energy sources, and companies from Google to Coca-Cola to Wal-Mart brag about being sustainable without defining what the term means. Wal-Mart’s website states that the company conserves energy to operate its stores, reduces raw materials for construction, and uses renewable materials throughout its stores. Because saving energy and reducing material in construction can reduce costs and therefore increase profits, all of these can make sense for profit-maximizing firms, regardless of their environmental impact.

Ultimately, a business must meet only one bottom line if it is to be in business for the long run and that is the profit test. Unless a business is profitable, it will not survive in a competitive marketplace, especially one that is becoming increasingly global. Hence doing the “business bop” requires adhering to sound business principles rather than to greener-than-thou rhetoric.

There are three steps to the “business bop.”

Step 1: Put your right foot directly on the single bottom line. By focusing on profits, businesses can be the perfect engine for environmental sustainability. Whether in pursuit of saving energy, conserving soils, replanting trees, or husbanding nonrenewable energy sources, the private sector has a far better track record than governmental bureaucracies when it comes to economic and environmental efficiency. Conservation Forestry LLC, for example, is an investment organization that aligns private equity with conservation capital for the purpose of acquiring and managing large forest landscapes. The organization emphasizes an acquisition approach in which it purchases the timber cash flows associated with a property and conservation organizations purchase the key conservation amenities through easements and other means. In doing so, the investment fund achieves a superior risk-adjusted return for its investors and leverages the resources of its conservation partners. Sim-

ilarly, Beartooth Capital invests in ranch real estate to generate strong returns for investors by restoring and protecting ecologically important land. Beartooth acquires undervalued agricultural land and converts it into high-end recreational ranch properties via easements, habitat restoration, and ecologically appropriate limited development. Beartooth also assesses the full array of nondevelopment values embedded in each property, including agricultural, natural resource, conservation, and ecosystem services. Far from sacrificing financial returns to accomplish conservation goals, integrating conservation at the core of Beartooth allows the business to reduce investment risk and generate competitive investment returns (Keith and Palmer 2006). Again, the adage “If it pays, it stays” applies to all business. The business bop focuses on profits from the marketplace rather than profits from politics and as a result is more likely to produce sustainable conservation.

Step 2: Point your left foot in the direction of real environmental entrepreneurs. In the tradition of industrial entrepreneurs such as Cyrus McCormick or Henry Ford, today’s environmental entrepreneurs are trying out untested ideas for improving environmental quality in the hope of making a profit. Recall the story of the Remediators from chapter 4. This company uses fungi to clean up contaminated soils. By purchasing dirty sites at a discount, cleaning them up, and selling them at a premium over cleanup costs—dirty dirt becomes an environmental asset. Triton Logging is another example. Triton has discovered how to harvest submerged forests, flooded by reservoirs behind dams. The company has built the world’s first deep-water logging machine, appropriately called the Sawfish.[™] The machine is a combined unmanned submarine, tree harvester, and tree recoverer. Although the up-front technological costs of creating the Sawfish were substantial, Triton incurs few of the costs of conventional forestry operations. There are no replanting or fire protections costs, no roads to maintain below the watermark, and planning costs are a fraction of those incurred for surface logging. The advantages of underwater logging include safer conditions for loggers (trees float up rather than fall down) and safer areas for those who use reservoirs for recreation. The quantity and potential value of this resource are vast—estimated at 300 million

trees worldwide—worth approximately \$50 billion (Lucas 2007). As these few examples demonstrate, environmental entrepreneurs have far more potential for improving environmental quality than does greener-than-thou lobbying or posturing.

Step 3: Stick your right arm back into the face of environmental subsidies because most may actually harm the environment, as in the case of corn-based ethanol. Hurricane Katrina provides another example. Katrina was all the more destructive because the federal government tried to fool Mother Nature by subsidizing levy construction and encouraging development in areas with exceedingly high flood risk (see Haddock 2007). Subsidies to deliver electricity to rural areas in the 1920s crowded out wind energy technology that might have continued to improve to this day. (One should also ask how much profitable innovation is being crowded out by such subsidies.) The Conservation Reserve Program, part of the farm program, pays landowners not to crop or graze millions of acres of land. This program may thwart private conservation efforts by land trusts and hunting clubs that want more open space or wildlife habitat.

Conclusion

Command-and-control environmental regulations, which in some cases improved the environment, have had their day. Many of those cases, such as stopping rivers from burning, eliminating smog in cities, protecting the endangered bald eagle, and establishing wilderness areas, are examples of “picking the low-hanging fruit.” Legislation regulating point sources of pollution, halting the actual killing of endangered species, and limiting land use to nonmechanized travel in remote areas easily passed Congress because the costs were relatively low and the benefits relatively high.

Going further, however, to pick the higher-hanging fruit, for which the costs are much larger and the benefits more debatable, will require new approaches. Because we live in a rich country, we can all afford to be environmentalists. But simply using greener-than-thou

rhetoric, regulations, and religion will not help us harvest the higher fruit.

If the twenty-first century is to be the green century, environmental advocates will have to go beyond seeing the environment as a problem and instead transform it into an asset. Children today are likely to grow up as Generation E—the environmental generation. To move the well-intentioned, but increasingly counterproductive, greener-than-thou approach into truly effective solutions, we must adopt the spirit of enviropreneurs and “get ’er done” free market style—turning Generation E into the “enviropreneur generation.”