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**FROM THE PAST TO THE FUTURE:
IDEAS AND ACTIONS FOR A FREE SOCIETY**

CHAPTER SEVENTEEN

**THE RISE AND FALL OF ENVIRONMENTAL
SOCIALISM: SMASHING THE WATERMELON**

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The rise and fall of environmental socialism: Smashing the watermelon¹

Jeff Bennett²

1. *The bad news*

The green gravy train is fully loaded and achieving record speeds. Rent seekers of many different varieties have taken their seats and are enjoying the largess created by the fears of environmental doom and gloom.

The current season of bush fires in Australia illustrates the point.

The motivating hypothesis for the fear is that climate change is causing earlier and more severe bushfires. Hence this season's experience (with declarations of 'catastrophic' conditions being made for the first time ever followed by reports of 'unprecedented' damage) will be 'the new normal'. Who gets the gravy once on board?

1. The politicians – who can achieve photo opportunities amidst fire ravaged communities and make announcements about immediate support for those impacted and long term interventions to address climate change.
2. The firefighting bureaucrats – who lobby for more equipment and more staff to deal with the climate change 'emergency'.
3. The press – who get to present reports from areas that look like war zones without being shot at.
4. The scientists – who argue for more research funding to understand better (for example) the impacts of climate change on fire behaviour.
5. The green industrialists – who gain from subsidies paid to encourage the transition to a 'de-carbonised' economy.
6. The 'environmentalists' – who are more able to assert control over their not-so-convinced fellow citizens in achieving their goal of stopping any new coal mining in Australia.

It's hard to find any 'baptists' in this list of 'bootleggers'³. Perhaps there are some genuine environmentalists who believe fundamentally that anthropogenic climate change constitutes an 'emergency' and that interventions by the state internationally is capable of addressing it. However, the hypocrisy of those espousing to be truly green tells a different story. Whether it's Leonard di Caprio, Prince Harry, Al Gore or even David Attenborough, all jet-setters of renown, all seem to have a lot to gain in fame and/or fortune from promulgating the climate change catastrophe. Even those who appear at first glance to be 'baptists' (such as the weeping children on strike from school, who

¹ Invited paper presented at the 2020 Special Meeting of the Mont Pelerin Society, Hoover Institution.

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³ Yandle, B. (1983). "Bootleggers and Baptists: the education of a regulatory economist". *Regulation*. 7 (3): 12–16. Yandle used the example of the prohibition era 'coalition' between those who believed that alcohol was the root of all evil and those who made a lot of money from the resultant black market in booze to establish the more general relationship between rent seekers and those who are genuinely well-meaning.

fear the imminent collapse of the planet as we know it, or the outraged St Greta of Thunbergs of the world) seem to have been converted to their religion by the bootleggers.

The most concerning aspect of the list of bootleggers is the proportion of them who see their ride on the climate change gravy train as a means of asserting state control over the actions of others. These are the “watermelons”: those with an outwardly green appearance but who are at their core, socialists. And in the context of climate change, many of these are international socialists who aim for one-world governance. To use another metaphor, the socialist wolf is now dressed in green clothing.

2. *The good news*

In the face of the doom and gloom narrative that is promulgated by the environmental rent seekers, there is clear evidence that things aren’t so bad after all. The work of Lomborg⁴ and Ridley⁵ stand out in this regard. The evidence includes ‘macro’ level indicators of human welfare being enhanced by such fundamental measures as lower infant mortality and increasing life expectancy and ‘micro’ indicators of improving environmental conditions such as first world water and air quality. Deaths worldwide from natural disasters have fallen from 453 per million people in the 1930’s to 10 per million in the 2010’s⁶.

The so-claimed ‘unprecedented’ damage caused by this season’s bushfires in Australia has been eclipsed numerous times over the last century⁷. The formal declarations of ‘catastrophic’ conditions were indeed the first ever made, but only because that category was established ten years ago as a sub-division of the previous ‘extreme’ category.

The forecasts of ‘disastrously’ rising temperatures and thence sea levels along with the broaching of ‘tipping points’ have not eventuated, with climate model after climate model failing to be validated by experience. Now many climate change scientists are more guarded in their predictions. The most recent alarmist paper in Nature⁸ is prolific with the words ‘might’ and ‘could’ alongside calls for more research funding into tipping points. However, that caution is not reflected in their calls for action. The imperative then appears without the ‘if’: ‘warming must be limited to 1.5 °C. This requires an emergency response’.

However, at least one alarmist prediction has proven correct. To quote the late and wonderfully erudite and witty Clive James⁹:

‘In his acceptance speech at the 2008 Democratic convention, Obama said – and I truly wish this was an inaccurate paraphrase – that people should vote for him if they wanted to stop the ocean rising. He got elected, and it didn’t rise’. (p322).

Obama’s predictive capacity was not apparent in his concerns regarding the Great Barrier Reef. Those concerns have been expressed over and over again for at least the last 40 years, most notably and recently in the Great Barrier Reef series by Sir David Attenborough¹⁰ who has predicted that ‘the

⁴ Lomborg, B. (1998). *The Sceptical Environmentalist*, Cambridge University Press.

⁵ Ridley, M. (2010). *The Rational Optimist*, Harper.

⁶ <https://www.gapminder.org/topics/natural-disasters/>

⁷ See Bennett, J. (2012). “Private and Public Provision of Fire-fighting Services in Rural Australia” in Bradshaw, K. and D. Lueck, *Wildfire Policy: Law and Economics Perspectives*, New York: Resources for the Future Press.

⁸ Lenton, T. *et al* (2019). “Climate tipping points — too risky to bet against” *Nature*.
<https://www.nature.com/articles/d41586-019-03595-0>

⁹ James, C. (2017). “Mass Death Dies Hard” in Marohasy, J. *Climate Change: The Facts*. Connor Court Publishing

¹⁰ <https://www.abc.net.au/tv/programs/david-attenboroughs-great-barrier-reef/>

reef will be dead by 2100' due to acidification of the oceans which in turn results from the release of carbon dioxide in the burning of fossil fuels. Yet the reef lives on, with tourism operators on the reef wringing their hands more and more as climate alarmists report more and more climate-induced coral bleaching events without explaining that the cycle of life on a coral reef involves death and re-birth.

3. Forces to harness

Despite the evidence of unfulfilled doomsday forecasts, even going back to the famed Ehrlich-Simon¹¹ wager, the forecasts of environmental catastrophe continue and the push toward environmental socialism marches on. Indeed the cries of imminent global demise (along with the persecution of anyone challenging the claims) have become even shriller. Last year saw the promulgation of the Climate Emergency tag by the Extinction Rebellion putsch. It seemed that the previous level of alarmism had yielded insufficient gravity, particularly in Australia where a federal election saw the rejection of higher greenhouse gas reduction targets and the approval of a major new coal development.

But it is apparent that the gravity train will not be readily halted, not just on climate change, but on the full raft of environmental issues. Many nations of the developed world have already forsaken elements of their democratic self-government by signing onto United Nations treaties including the Paris Agreement within the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Are there any forces that can be used to act as a brake on the environmental gravity train's progress toward socialist world governance or even put it into reverse? Two at least are evident.

The first is wealth. For instance, Kahn¹² demonstrates that nations with greater wealth and democratic institutions suffer less damage from natural disasters. Being wealthy is the best way to cope with environmental damage. More generally, the Kuznets Curve¹³ has been shown to apply to environmental issues such as air and water pollution: Beyond a threshold, increasing income is correlated with improving environmental health. Wealth better enables the development of solutions to environmental problems as well as the means of protecting against them. Hence the implication is that with greater wealth and better environmental conditions, more and more apocalyptic predictions will be demonstrated to be false. The evidence to support those on the gravity train will be diminished.

The second force is the power of the market. It is apparent to MPS members that the growth in wealth required to see the Kuznets Curve deliver improved environmental conditions is dependent on the operation of free markets in an institutional setting that establishes the rule of law, particularly relating to the definition and defence of private property rights. However, the importance of well-defined and defended property rights goes deeper. The further the property rights regime can be extended to cover resources that are conventionally regarded as producing

¹¹ <https://www.spiked-online.com/2015/09/29/the-simon-ehrlich-wager-25-years-on/>

¹² Kahn, M. (2005). 'The Death Toll from Natural Disasters: The Role of Income, Geography, and Institutions', *Review of Economics and Statistics* 87(2): 271-284.

¹³ See Chapter 5 'Trade and the Environment' in Bennett, J. (2012). *Little Green Lies: An expose of twelve environmental myths*, Connor Court Publishing.

public goods and services, the more the discipline of the market can be asserted over those resources and the less the ill-disciplined, rent seeking, political process would be allowed to operate.

4. Ideas for the future

Given that conventionally, environmental goods and services have been seen by economists as 'public goods' that are subject to 'market failure' and hence necessitate government intervention, what can change in the future? The declaration of public good status usually involves a recognition that property rights are too difficult to define and defend. In other words, the transaction costs involved in establishing trade overwhelm any benefits that can be enjoyed through the mutually advantageous exchange of property rights.

However, that thinking ignores the development of technologies that can lower the costs of defining and defending property rights. Information about the relative strengths of people's preferences, which is the key to the exchange process, is increasingly available at lower costs. As marketers are able to use social media and web profiles to delve deeper and deeper into the possibilities of establishing markets for previously ill-defined rights, the environment will become more and more available as a new frontier for exchange. Advances in collecting data, data storage and data analytics mean lower information costs. Advances such as block-chain provide cheaper and more trustworthy definitions of property rights ownership.

And rights need not be defined as private to a single entity. The emergence of exchange in club good space is also likely to accelerate. Lower transaction costs and greater information will increase the trust held between individuals who cooperate as a group to manage environmental resources and to exclude those who don't pay for using those resources.

The implication of the advance in technology is that markets will be able to satisfy interested parties with what they want from the environment better than a frustratingly slow and ineffective public sector. With a financial opportunity presenting itself through the environment, an incentive will be apparent for all parties¹⁴.

Despite the strength of these forces to stand against the tide of environmental socialism, numerous challenges remain.

Wealth is a two edged sword. While increased wealth has its environmental ups, it seemingly creates a growth in the proportion of the populace who are not only environmentally aware but who see the government as the solution to their problems. The Extinction Rebellion movement is a phenomena found in developed western nations, not in the less developed world.

More importantly, even though markets may be able to form with technological advances in defining and defending property rights, they can be 'crowded out' by government action. For instance, if governments persist in declaring more state owned and operated national parks and nature reserves, the demand for private reserves will be satiated. And those with strong preferences for nature are likely to find it cheaper to lobby government for more reserves (so spreading the costs over the whole population) than buying shares in new private reserves. Likewise, it is likely to be cheaper for those with fears of imminent climate collapse to glue themselves to the pavement in an effort to stop coal mining than it would be for them to buy out the mineral leases.

¹⁴ See examples of actual and potential opportunities in Bennett, J. (2016). Protecting the Environment: Privately, World Scientific Press.

This means that governments will have to back off from environmental goods provision to allow the private sector to become increasingly established and prove itself to be more than competent. Achieving this will be difficult given that government itself fills the first few carriages of the gravy train.

Furthermore, those who gain from the promulgation of doom and gloom will not go away, even when their prophecies fail to eventuate. Paul Ehrlich still thrives on fear mongering, having moved from global cooling to global warming via global starvation.

The reality is that continually exposing the environmental myths to the blow torch of evidence will remain critical. So too will the encouragement afforded by experience in jurisdictions where government does step back from the primary owner and manager of resources providing environmental goods and services. It is only when that knowledge is widely disseminated will the green socialist gravy train be shunted into a siding.



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