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## **Free-Market Environmentalism**

**by Bart Frazier**

One of the most important lessons that economics teaches is that incentives matter. Economics is not a field that is normally associated with the environmental movement, but the recognition of the importance of incentives has led to a schism in the movement — between those environmentalists who turn to the state to protect the environment and those who instead rely on private property and the free market to do so.

When ecological sensitivity first crept into the social consciousness, the consequences were swift and strong. The traditional notion of private property was swept aside and draconian rules were put in place that severely restricted what one could do with his property, including what can he could build on it, what he could store on it, and who had access to it.

To say that this new property-rights regime caused some friction is an understatement. The notion that people should be able to whatever they see fit with their property as long as their actions do not infringe upon the property rights of others is deeply rooted in Americans. The inalienable right to be safe in the use of one's own property is one of the basic tenets of the Declaration of Independence and the Constitution.

A society based on secure property rights has a very redeeming feature — the owners of property have a strong incentive to protect and conserve it in order to maintain its value. This is not the case when the public “owns” property. A comparison of overrun, overused public parks with lush, serene private parks is strong evidence that private owners are much better stewards of resources than government.

It is this incentive to preserve value that led property owners to start doing the opposite of what environmentalists hoped for with the passage of their new legislation. After finding bald eagles' nests on their property, many people immediately cut down the trees upon which the nests are built. Why? Because new laws dictated that property containing eagle nests could not be developed, hence its value fell.

However, it did not take long for some environmentalists to recognize the friction for what it was — a natural reaction by property owners who did not appreciate being told what they could

and could not do with their own property. A new method for encouraging good stewardship evolved. If private-property rights naturally instill in owners a sense of stewardship, even if it is for personal gain, why not work with property owners instead of against them?

From this kind of thinking sprouted free-market environmentalism. Although the free-market movement has had a much lower profile than the highly visible activities of such organizations as the Sierra Club and Greenpeace, arguably it has done a more efficient job in preserving the environment. Instead of relying on the coercion of the state, free-market conservationists use the voluntary mechanism of the market. They *purchase* land they want to conserve. And as with all voluntary transactions, both parties involved are better off than they were before. The purchaser exchanges money for property he places a higher value on and the owner exchanges his property for money he values more than his property.

The Nature Conservancy has been an innovator and leader in free-market environmentalism (though unfortunately they also often rely on government to achieve their goals). They take voluntary contributions and purchase ecologically valuable property. With more than a million members, they have been able to conserve 14.5 million acres in the United States and 83.5 million acres in other countries. Other groups followed their model, most on a smaller and more local scale, but almost all highly successful.

Think tanks that support the viability of free-market environmentalism and document the destruction caused by public ownership of resources have also come into existence. Most notable has been the work of the Political Economy Research Center ([www.perc.org](http://www.perc.org)) and the Competitive Enterprise Institute ([www.cei.org](http://www.cei.org)). These organizations have shown time and again that in addition to being huge taxpayer expenses, public lands are routinely overused and dilapidated while privately conserved lands, guarded jealously by landowning conservationists, are normally in a state of reversion to wilderness, if not already there.

No one can in good conscience trespass on private property and force the owner to conserve at the point of a gun. It is no different if he uses the state to do the same, which is exactly what environmentalists who turn to the state do. Free-market environmentalism has been a highly successful tool of conservation where it has been applied and its healthy respect for property rights and individual freedom is equally laudable.

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