

Anti-environment think tank promoting 'enviropreneurs'

by *Bill Berkowitz*

Right Wing foundation-funded Property and Environmental Research Center seeking a wider audience for its 'free market environmentalism'

On the 15th anniversary of Terry Anderson and Donald Leal's book "Free Market Environmentalism" -- the seminal book on the subject -- Anderson, the Executive Director of the Bozeman, Montana-based Property and Environmental Research Center (PERC) (formerly known as the Political Economy Research Center) spoke in late-January at an event sponsored by Squaw Valley Institute at the Resort at Squaw Creek in California. While it may have been just another opportunity to speak on "free market environmentalism" and not the kickoff of a "victory tour," nevertheless it comes at a time when PERC's ideas are taking root.

In a story written just before Anderson's northern California appearance, Truckee Today's Karen Sloan described PERC as an organization that "contends that private property rights encourage good stewardship of natural resources." The story, headlined "'Enviroprenuer' scholar to speak at Resort at Squaw Creek," pointed out that "PERC scholars argue that government subsidies often degrade the environment, that market incentives can spur individuals to conserve and protect the environment and that polluters should be liable for the harm they cause others."

On its website, PERC -- a non-profit, tax-exempt 501(c)(3) organization founded in 1980 -- calls itself "the nation's oldest and largest institute dedicated to original research that brings market principles to resolving environmental problems." PERC maintains that it "pioneered the approach known as free market environmentalism," based on the following principles:

• "Private property rights encourage stewardship of resources";

• "Government subsidies often degrade the environment";

• "Market incentives spur individuals to conserve resources and protect environmental quality";

• "Polluters should be liable for the harm they cause others."

PERC's basic construct, that the free market can do a better job protecting the environment than the government, is an idea that was once considered ridiculous by environmentalists when it first surfaced several

decades ago. Now, according to Truckee Today's Sloan, it is being "embraced by many environmental groups."

On March 12, PERC announced that it had been named a winner of a 2007 Templeton Freedom Awards, a competition managed by the Atlas Economic Research Foundation. The awards program "recognizes innovative civil society programs sponsored by independent research institutes around the world," PERC's website pointed out. The program is named for investor and philanthropist Sir John Templeton.

"Economic and political freedom are advancing globally, and men and women focused on ideas, rather than violence, are leading the way," said Atlas President Alejandro Chafuen. "The winners of this year's Templeton Awards demonstrate the breadth of this movement." According to the Atlas website, "Templeton Freedom Prizes for Excellence in Promoting Liberty are awarded in four categories: Free Market Solutions to Poverty, Social Entrepreneurship, Ethics & Values, and Student Outreach. Winning institutes in each category receive \$10,000, while the runners up receive \$5,000 each."

PERC's award came in the Social Entrepreneurship category where it won the top prize for "its two-week Enviropreneur Camp for environmental entrepreneurs, or 'enviropreneurs.' The Camp encourages participants to discover how individual initiative, property rights, and the free market can be used to solve environmental problems."

The only other U.S.-based think tank to win one of the awards was Father Robert Sirico's Michigan-based Acton Institute for the Study of Religion and Liberty which won first place in the Free Market Solutions to Poverty category. Acton 's Connecting Good Intentions to Sound Economics Advertising Campaign, "used the power of the popular media to challenge common beliefs about how to alleviate poverty. Using the tagline, 'Don't Just Care, Think!,' the project used documentaries, short films, public service announcements, print ads, and other educational materials to make the case that good intentions alone will not help the world's poor."

"Free-Market Environmentalism"

According to materials published by PERC, The Nature Conservancy (TNC) is "an excellent example of how free market environmentalism works."

"Free-Market Environmentalism, as originally espoused by Anderson, and former Secretary of Interior Gale Norton (a former Senior PERC Fellow), has been embraced by a growing number of environmental groups -- and not just by traditionally market-oriented ones such as The Nature Conservancy and Environmental Defense (ED)," Scott Silver, the Executive Director of Wild Wilderness, the Bend, Oregon-based grassroots environmental group, told me.

(TNC is the world's largest land trust with a million members and supporters which has protected 117 million acres of land and 5,000 miles of rivers worldwide. Its primary mission is to protect the highest value expressions of biodiversity.)

"Some would rationalize this by saying that with politics in the country having moved so far to the right during the past two decades, there simply was no alternative other than to embrace the shifting paradigm and go with the flow," said Silver.

"A great many conservation organizations moved right during this period and championed, to one degree or another, the ideology of Anderson, Norton, TNC and ED. However," Silver pointed out, "some moved right selectively, doing so only when it appeared to be advantageous. Few organizations stood their ground or remained true to their principles. A lot of ground was lost and the world suffered for it."

'Enviropreneurs'

PERC's website contains a number of examples of successful free-market environmental efforts. Robert Keith and Carl Palmer, who formed a company called Beartooth Capital Partners, which invests in ecologically valuable ranches in the West and earns returns for investors by buying up degraded land and then enhancing it, protecting it or, in some cases, adding limited development for a net gain for the environment and for the economy. Keith and Palmer -- influenced by the teachings of Anderson the Leal -- are called "enviropreneurs" in PERC vernacular.

Another example cited by Anderson is the partnership between Pamela Baker of Environmental Defense and Donald Leal, who are dealing with the problem of over-fishing. Baker and Leal advocate using a property rights approach (in this case individual fishing quotas) to ocean fisheries.

"The essence of enviropreneurship is disrupting the status quo with new ideas," Anderson wrote in an article posted on the PERC website. "Joseph Schumpeter, one of the 20th century's most influential economists, argued that entrepreneurs bring the winds of 'creative destruction' -- replacing old ways of doing things with new, more effective ways. By bringing these winds to the environmental sector, enviropreneurs will replace the political activist ways of old with market solutions of the future."

Anderson and his PERC cohorts have been hacking away at the "enviropreneur" terrain for better than two decades. Back in 1987, according to the Christian Science Monitor's Timothy Aepfel, "advocates" were then calling it 'new resource economics,' which Aepfel described as "an unusual blend of environmentalism and free-market philosophy." Aepfel pointed out that "although clearly outside the mainstream, the ideas are winning at least partial approval from some policymakers and analysts."

Funding

PERC reports that "it rel[ies] entirely on contributions from foundations, corporations and private individuals. Currently, 92 percent of our funding comes from foundations, 7 percent from individuals and miscellaneous sources and 1 percent from corporations." An Exxon Secrets Factsheet pointed out that between 1998 and 2006 the ExxonMobil Foundation gave PERC \$115,000.

Between 1985 and 2005, according to Media Transparency's research, PERC received more than \$5 million in grants from conservative foundations. Amongst the most consistent donors are the Roe Foundation, the Earhart Foundation, the Castle Rock Foundation (Coors), and the Armstrong Foundation.

PERC is given a two-star rating by Charity Navigator -- "Your Guide to Intelligent Giving" -- and the website reports that FYE 12/2005 showed that Terry Anderson received \$184,000, or nearly 10% of the organization's expenses.

The future

Now that the Democrats control Congress, will there be a reversal of some of the draconian environmental proposals espoused by the Bush Administration? Will the influence of groups like PERC decline?

Not according to Scott Silver. In a Wild Wilderness email alert he maintained that despite the fact that Democrats control Congress, he expected that "the shift toward free-marketism" will continue to move forward.

"I expect conservation organizations and the new Democratic leadership to work together to promote a growing assortment of market-based environmental initiatives," Silver maintained. "Whatever 'watch-dog' or 'sea-anchor' function the conservation community served will further erode. Market solutions will dominate and most especially in connection with the biggest issues of our day, issues such as 'climate change' and 'peak oil.'"

"Furthermore," said Silver, "I believe that the ideology which a few years ago was considered 'blasphemous' by environmentalists, will come to dominate the environmental movement -- a movement that will, through its actions, help speed the transformation of America into a fully corporate-dominated neo-feudal state."

Nearly nine years ago, Silver and Don Leal, Anderson's mate at PERC, squared off at the University of Colorado School of Law Natural Resources Law Center's annual summer conference titled "Outdoor Recreation: Promise and Peril in the New West".

"On June 9th, Leal and I shared the stage and went toe to toe," Silver said. "Leal's presentation was titled 'Market Solutions to Public Recreation Finance: Creating User Supported Parks,' while mine was titled 'The Limitations of a Market-Based Outdoor Recreation Policy: Reasons for Caution.'

"For the past decade, with respect to the issue of National Park and Outdoor Recreation funding, the contrasting positions of PERC and Wild Wilderness have largely defined the national debate. PERC speaks for the market. Wild Wilderness speaks for the Public Trust, the American Commons and the American People."

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