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Capitalism is the cure, not the ill

Editorial

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A group of environmentalists from around the world have it completely wrong. They contend the problem with the environment is capitalism. But history shows capitalism is the cure, not the disease.

“Environmentalists have declared that global warming can’t be stopped without ending the ‘hegemonic capitalist system,’ saying that cap-and-trade systems and conservation efforts are ‘false solutions,’” the Daily Caller reports. “Environmental activists met in the oil producing, socialist country of Venezuela as part of a United Nations-backed event to increase civil engagement in the lead up to a major climate conference.”

They’re wrong, as history shows.

For example, it’s due to markets — not due to socialism or regulations or government stimulus — that natural gas is starting to replace coal and petroleum to power our electrical infrastructure and even our vehicles.

That’s good news for Texas, of course — we have lots of natural gas. But it’s also good news for the environment, because natural gas pollutes much less than coal and oil. In fact, U.S. carbon emissions are down, below even the levels called for by the Kyoto treaty, because of natural gas.

Another benefit to the environment is capitalism’s concept of individual property rights.

“Property rights — a necessary prerequisite for free market economies — also provide strong incentives to invest in resource health,” Cato Institute’s Jerry Taylor said. “Without them, no one cares about future returns because no one can be sure they’ll be around to reap the gains. Property rights also are important means by which private desires for resource conservation and preservation can be realized.”

What he means is property rights are important because we take care of what’s ours. If it’s our field or our forest, we maintain it. The opposite of this is what’s called the “tragedy of the commons.” Common spaces, ostensible held by all, are usually cared for by no one.

There are other ways capitalism helps the environment.

“Capitalism rewards efficiency and punishes waste,” Taylor added. “Profit-hungry companies found ingenious ways to reduce the natural resource inputs necessary to produce all kinds of goods, which in turn reduced environmental demands on the land and the amount of waste that flowed through smokestacks and water pipes. As we learned to do more and more with a given unit of resources, the waste involved (which manifests itself in the form of pollution) shrank.”

In other words, profit-driven companies recognize that using more resources costs more money — so they strive to use less. That leads to less pollution — because pollution is waste.

It’s the wealthy societies that become passionate about the environment. Capitalism is key to that wealth, and therefore to that concern.

One more proof should close the case. China, the world’s largest socialist-communist government, is also the world’s biggest polluter.

As the New York Times points out, “China is responsible for half of the annual global coal consumption and is the world’s biggest emitter of greenhouse gases, followed by the United States.”

As the U.S. converts to natural gas, the People’s Republic is limiting such conversations.

Capitalism isn’t the cause of climate change. It’s the solution.