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The Birth of Free-Market Environmentalism

The Bet: Paul Ehrlich, Julian Simon, and Our Gamble over Earth's Future.
By Paul Sabin (New Haven, Yale University Press, 2013) 320 pp.
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One day in October 1990, economist Julian Simon opened his mailbox to find a check for \$576.07. The check bore the signature of biologist Paul R. Ehrlich. It was accompanied by nothing more than a sheet of metal prices. The check had been sent to settle a public wager that the two men had made a decade prior. The story of that wager has taken on the status of legend within the environmental community, and its meaning and import continue to be debated and challenged to the present day.

In *The Bet*, Sabin offers a particularly trenchant retelling. The book reads throughout as a personal history of Ehrlich and Simon, two larger-than-life figures, driven by deeply held beliefs, coupled with prickly personalities, to a kind of intellectual trench warfare. The narrative sets the stage for the wager by tracing both men's formative childhood events, their personal and professional successes and failures, and finally the growing animosity between them and their camps.

Sabin also uses the story of his two antagonists to illuminate important features of the social and political landscape in the United States from the 1970s through the present day. Throughout this period, the conversation about environmental well-being has assumed an increasingly charged and divisive character, such that positions on climate change, in particular, and environmental protection, in general, have become critical markers of political identity. As Nisbet has pointed out, there are now, in fact, few stronger identifiers. Climate change is one of a handful of issues—taxation and gun control being

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two others—that can make it look as though there are “two Americas divided along ideological lines.”¹ In *The Bet*, the lives of Ehrlich and Simon are examined against this backdrop of increasing political polarization.

The present-day environmental movement is divided as well. The antagonistic positions regarding population, consumption, and technological development that Simon and Ehrlich occupied during the 1970s and 1980s still inform today’s academic and policy debates about appropriate actions for environmental protection. Sabin’s book shows the emergence, and gradual widening, of the gulf between Ehrlich’s brand of “neo-Malthusian” caution and Simon’s brand of “Promethean” expansionism, along with the related conflict between a predominantly ecological perspective on the world, as in Ehrlich’s case, and an economic one, as in Simon’s.

The basic details of the bet itself are straightforward. The loser had to pay the winner the change in the price of a \$1,000 suite of five widely used metals. Ehrlich contended that the collective prices of those metals would rise in the decade beginning in 1980, whereas Simon predicted that the prices would fall. Although the exercise may sound trivial on its face, at the heart of the wager was an ideological clash of critical importance. The bet was billed as a way to illuminate and test the merits of fundamentally opposing views about humanity’s collective impact on the planet and what it ultimately meant (and means) for the human condition.

By 1980, Ehrlich had become a celebrated public intellectual and activist, on the back of his widely publicized view that rapidly increasing human population numbers would prove disastrous for the world. His position, spelled out in bestselling books like *The Population Bomb*, was that an increase in population would inevitably result in damage to the environment, reflected in part by increasing resource scarcity—hence, his conviction about price increases for important industrial metals during the 1980s.²

In contrast, Simon by 1980 had become a rising star in U.S. conservative intellectual circles, known for his sharply voiced critiques of environmental “alarmists” and “doomsayers,” such as Ehrlich and his ilk. Simon’s position, which received its most comprehensive

1 Matthew Nisbet, “Communicating Climate Change: Why Frames Matter for Public Engagement,” *Environment*, LI (2009), 14.

2 Ehrlich, *The Population Bomb: Population Control or Race to Oblivion?* (New York, 1968).

treatment in his book *The Ultimate Resource*, was that any apparent limits to economic expansion were illusory, easily overcome via human technological ingenuity and the workings of free and flexible markets.³

Sabin's analysis is largely confined to the United States, but its arc—from a focus on early government-led efforts to protect the environment to the more recent embrace of technological and free-market optimism—also speaks to changes in the international arena. This review essay builds from *The Bet* to consider the past and present state of international environmental politics, as well as the intellectual moves and government action (and inaction) in the United States that has informed and shaped it. Simon may have won the bet, but the discrepancy between the view of a planet under siege and that of unchecked, ever-expanding human prosperity is far from resolved.

THE BIRTH OF A GLOBAL ECOLOGICAL CONSCIOUSNESS The late 1960s and early 1970s were a formative period for the global environmental movement. Carson's *Silent Spring*, published in 1962, with its warnings about the ecological effects of DDT, had given impetus to a new understanding of the potential dangers of unchecked industrialization.⁴ High-profile incidents and accidents, including the massive oil spill from the SS *Torrey Canyon* in the North Sea near Cornwall in 1967 and the Cuyahoga River in Ohio catching fire (and the attention of *Time* magazine reporters) in 1969, started to galvanize public concern about rising levels of environmental harm.

The first Earth Day in the United States, on April 22, 1970, gave the burgeoning modern environmental movement both a pronounced boost and a critical voice. An estimated 20 million Americans participated in Earth Day activities—a feat of organization and mobilization that almost beggars belief today. Two years later, the first major United Nations (UN)–sponsored meeting designed to “evaluate and discuss the environment in systematic, comprehensive terms” was held in Stockholm, Sweden.⁵ The UN Conference

3 Simon, *The Ultimate Resource* (Princeton, 1981).

4 Rachel Carson, *Silent Spring* (Boston, 1962).

5 See Ken Conca and Geoff Dabelko, “Introduction: From Stockholm to Sustainability?” in *idem* (eds.), *Green Planet Blues: Critical Perspectives on Global Environmental Politics* (Boulder, 2014; orig. pub. 1995), 17.

on the Human Environment, as it was called, which birthed the United Nations Environment Programme (UNEP), ultimately became the progenitor and model for a string of international attempts to understand and respond to the changing global environmental condition.

One important touchstone during this period was a report titled *The Limits to Growth*, released just prior to the Stockholm conference in 1972, by a group called the Club of Rome. The report used a set of computer models to project the environmental and societal effects of various converging trends, among them rapid growth in human numbers and patterns of material consumption. The book's conclusions were stark and bleak: "If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity."⁶

At this time, Ehrlich was emerging as a leading environmental voice, harnessing and honing a vision of the world that was firmly in keeping with the most pessimistic projections contained in *The Limits to Growth*. Ehrlich, as Sabin relates, spent his early life training and then building a distinguished track record as a population biologist, focusing most of his work on butterflies. He came to embrace environmentalism as a kind of "secular religion" during the 1960s, quickly building a public profile as an advocate of population control, reduced levels of consumption, and the abandonment of high-risk technologies (21). Ehrlich's public pronouncements tended (and continue to tend) toward the apocalyptic. Soon after publication of *The Population Bomb*, for instance, he contributed an article entitled "Eco-catastrophe" to a special Earth Day issue of the journal *Ramparts*, in which he stated, "Most of the people who are going to die in the greatest cataclysm in the history of man have already been born. . . . By . . . [1975,] some experts feel that food shortages will have escalated the present level of world hunger and starvation into famines of unbelievable proportions."⁷

6 Donella H. Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York, 1972), 23.

7 Ehrlich, "Eco-catastrophe," *Ramparts*, 8 (1969), 24–28.

In the same article, Ehrlich predicted that the oceans would be rendered lifeless by DDT poisoning by 1979, that life expectancy in the United States would fall to forty-two years by 1980 as a result of pesticide-induced cancers, and that the population of the United States would crash to fewer than 23 million people by 1999.⁸ In the same year, Ehrlich suggested, “If I were a gambler, I would take even money that England will not exist in the year 2000” (134). These were considered reasonable and even responsible statements at the time. In fact, they lent support to a widely held view in the United States and other industrialized countries regarding the dire and pressing deterioration of the environmental condition. The extent to which Ehrlich’s pronouncements captured the prevailing mood in the United States was apparent in the celebrity that he acquired. Ehrlich became a staple guest on Johnny Carson’s *The Tonight Show*, for instance, ultimately appearing more than twenty times (3). According to Sabin, in 1970 alone, he gave “a hundred public lectures and appeared on two hundred radio and television shows” (12).

Ehrlich was espousing a view that also found favor at even the highest reaches of power. A year after Ehrlich’s publishing *The Population Bomb*, newly elected President Nixon claimed in a speech that the growth in human population was a “world problem which no country can ignore” (45), and in his 1970 State of the Union address, he called environmental restoration “a cause beyond party and beyond factions” (46). President Nixon had already, on January 1, 1969, signed the Environmental Policy Act. A year later, he oversaw creation of the Environmental Protection Agency and signed the Clean Air Act. Although President Nixon was to be assailed later in his term for a perceived lack of action on a variety of environmental issues, the legacy of environmental rule making and institution building that he left behind is undeniable. That legacy is, in large part, a testament to the passion, prognostication, and agitating of Ehrlich and a host of others.

The ascension of Jimmy Carter to the presidency in 1977 brought Ehrlich’s neo-Malthusian understanding of the world further resonance; “the *Limits to Growth* mentality [gained] a champion in the White House” (108). “‘More’ is not necessarily ‘better,’”

8 *Ibid.*

President Carter suggested during his inaugural address. “Even our great Nation has its recognized limits” (108). By the time President Carter took office, the oil embargo and subsequent energy shortages and price spikes in 1973 had elicited real fears of resource scarcity and an appetite for conservation in the United States. During the early days of the new president’s term, a further source of energy stress, a natural-gas shortage, gripped the country. President Carter struck a moralizing tone, calling on the United States to scale back energy demands in an era of shrinking resources, demanding “sacrifices” even as he warned that Americans should not be “selfish or timid” (112).

In hindsight, it might be easy to dismiss such clarion calls as unduly negative, pessimistic, or romantic, given the extent to which pleas for thrift and sacrifice have fallen from favor, but they are better read as a particular brand of hard-headed realism. President Carter’s calls for response came in the face of a deep and, by that time, widespread fear that the American way of life was fundamentally at odds with ecological realities. President Carter was able to take some relatively swift and bold actions concerning energy and environmental issues, as President Nixon had done before him, because the environmental movement in the United States had broad political and public support, and because those pushing for environmental action could draw on a deep sense of urgency. The prevailing view was well captured, again, by President Carter: “We must even face the prospect of changing our basic ways of living. This change will either be made on our own initiative in a planned and rational way, or forced on us with chaos and suffering by the inexorable laws of nature” (103–104).

The same momentum and sense of purpose was evident elsewhere in the world. Major agreements to tackle biodiversity loss, hazardous wastes, stratospheric ozone depletion, and a variety of other matters resulted from a number of international conferences during the 1970s and 1980s.⁹ The ozone regime in particular demonstrated that the world’s governments were able to find accord when given clear evidence of harm from industrial activity. A

9 The Convention on International Trade in Endangered Species (Washington, D.C., 1973), The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1989), The Vienna Convention to Protect the Ozone Layer (1985), and The Montreal Protocol on Substances that Deplete the Ozone Layer (1987).

shared sense of threat was a powerful motivator, though, unfortunately, not one that could endure.

THE RISE OF FREE-MARKET ENVIRONMENTALISM The drive for international cooperation on environmental matters reached giddy heights with the United Nations Conference on Environment and Development in 1992—the twentieth-anniversary follow-up to the Stockholm conference—held in Rio de Janeiro, Brazil, which came to be known popularly as the Earth Summit. The meeting was attended by 118 heads of state (just two had been present in Stockholm), along with many thousands of other participants representing governments and organizations from civil society.

Among the outcomes of the Earth Summit were the final texts of the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, along with an ambitious multi-volume report titled *Agenda 21*, which was billed as the blueprint for the transition to a sustainable society. The warnings of environmental decline issued by Ehrlich and other like-minded advocates had, it seemed, paid handsome dividends. Far from gloomy, the tone of the Earth Summit was overwhelmingly optimistic about the ability of humanity to address, through coordinated intergovernmental action, the world's pressing global environmental challenges.

Nonetheless, there were clear signs at the Earth Summit that the “limits to growth” brand of environmentalism was reaching its own limits. On the flight to Rio onboard Airforce 1 to attend a portion of the conference, President George H. W. Bush indicated to the press that he supported the basic thrust of the conference, but he also proclaimed, “The American way of life is not negotiable,” a line that has been quoted many times since.¹⁰ It was a signal to the world that President Carter's brand of environmentalism, premised on conservation and sacrifice, had already fallen out of favor, at least in the United States.

President Bush followed President Reagan in his vision of an American future to be built on an ever-expanding economy and an ever-rising material affluence. Governor Reagan began attacking the prevailing notions of overpopulation and looming environmental calamity as he began his run for the White House. When he

10 President Bush quoted in Andrew Bacevitch, *The Limits of American Power: The End of American Exceptionalism* (New York, 2008), 53.

announced his candidacy for the presidency in November 1979, Reagan made a pointed jab at “unknown, unidentifiable experts,” such as the authors of the *Limits to Growth* report, who made use of computer models to foresee resource scarcities (141). A major issue of the 1980 election came to be competing visions of the present and future of the United States’ economic fortunes. Reagan cast Carter as a supporter of austerity and rigid governmental oversight and himself as the champion of free enterprise, American individualism, and expanding opportunity. When Reagan won the election in a rout, a new understanding of the relationship between humanity and the planet began to take hold.

Simon was one of the intellectual architects of the American political conservative position on population and environmental matters. According to Sabin, however, he started his academic life with a deep concern about overpopulation. By 1970, when he was drafted as a stand-in speaker at a faculty forum in Urbana, Illinois, he had done a complete volte-face. In a talk titled, “Science Does Not Show There Is Over-Population,” Simon introduced the ideas that were to become his hallmark: “I view the population explosion not as a disaster, but as a triumph for mankind. Whether population growth is too fast or too slow is a value judgment, not a scientific one” (62).

At the heart of Simon’s claim was a belief in the ability of humanity to overcome any and all apparent ecological limits through investment and invention—a position that left him on a collision course with Ehrlich. Simon, however, was not one to shy away from confrontation. He began to pepper his talks and writings with direct reference to Ehrlich’s positions, which he described as “morally abhorrent.” Even though Ehrlich chose largely to ignore Simon’s provocations, Simon continued to ratchet up the rhetoric; in the June 1980 issue of *Science*, he saw fit to attack Ehrlich’s work openly and earnestly.¹¹ Simon’s article argued against the idea that population increase was a leading cause of famine and that the world might be entering a period of relative food scarcity. Instead, he pointed out that industrialized farming methods had increased the global food supply by 25 percent during the prior twenty-five years, and asserted that, thanks to the unfettered potential of human

11 Simon, “Resources, Population, Environment: An Oversupply of False Bad News,” *Science*, CCVIII (June 27, 1980), 1431–1437.

ingenuity, material constraints are illusory. “Because we find new lodes, invent better production methods, and discover new substitutes,” wrote Simon, knowledge is the only real constraint on “our capacity to enjoy unlimited raw materials at acceptable prices” (132).

The famous bet came the following year. Simon, writing for *Social Science Quarterly*, asked of Ehrlich, “How often does a prophet have to be wrong before we no longer believe that he or she is a true prophet?” (134), and then he proposed the bet on raw-materials prices.¹² Ehrlich leaped at the prospect. Ehrlich worked with fellow scientists John Holdren and John Harte to choose the portfolio of five metals that lay at the heart of the wager. The market price for each chosen metal had risen sharply during the 1970s, giving Ehrlich and his camp plenty of reason to believe that they would be on the winning side. The *Chronicle of Higher Education* billed it as “the scholarly wager of the decade” (137).

By the time Ehrlich was forced to concede in 1990 that he had lost the bet, his ideas about overpopulation and resource scarcity had already fallen out of favor in the United States. The Reagan era rejected environmental limits in favor of unbridled capitalism and a repudiation of government-led action. Simon became a media figure in his own right via his work with the conservative Heritage Foundation in the 1980s, preaching a new gospel of abundance.

The tide was also turning in the international arena. As Bernstein charted, although the Earth Summit of 1992 was the high point for international environmental cooperation, it was also the moment when the “compromise of liberal environmentalism,” which had been percolating since the birth of the Reagan–Thatcher era, began to crystalize.¹³ The new liberal environmentalism, in contrast to the cooperative internationalism that preceded it, privileged free trade and loosely regulated, if not completely unregulated, market responses to environmental matters; gave precedence to economic development over environmental protection; and upheld state

12 Simon, “Environmental Disruption or Environmental Improvement?” *Social Science Quarterly*, LXII (1981), 31–43.

13 Steven Bernstein, “Liberal Environmentalism and Global Environmental Governance,” *Global Environmental Politics*, III (2002), 1–16.

sovereignty in matters of resource extraction and use.¹⁴ The issues of environmental management and human interest came to be conflated; in other words, “sustainable development” rather than a strict focus on “environmental protection” became the order of the day.

These changes have grown clearer and more pronounced through time. The World Summit on Sustainable Development held in Johannesburg, South Africa, in 2002, marking the ten-year anniversary of the Earth Summit, showed little progress in state-to-state cooperation and agreement making, but made a point of privileging public-private partnerships. The 2012 United Nations Conference on Sustainable Development, held once again in Rio de Janeiro, focused on building a “green economy” and “the institutional framework for sustainable development,” thus revealing the change in tenor from times past. Although the 1970s and 1980s saw a strong international consensus about limiting the dangers of runaway population growth and industrialization, the 1990s through the present day have been marked by a belief that the answer to environmental concerns lies in economic growth. At the international level, just as in the political and social context of the United States, Ehrlich’s views have largely given way to Simon’s.

THE FUTURE OF ENVIRONMENTAL ACTION Sabin argues convincingly that the bet between Ehrlich and Simon was ultimately meaningless, in the sense that it revealed next to nothing about the dynamics that it was meant to test. International metal prices are subject to the complexities and vagaries of global market conditions, which are related only tentatively and tangentially to population growth. “And yet,” notes Sabin, rightly, “the symbolism of the bet itself proved simple” (189). Political conservatives seized Simon’s victory to lend support for a rolling back of environmental regulations and for the free-market triumphalism that characterized the Reagan era. As a new economically liberal understanding of environmental action took hold, support for international state-led initiatives has foundered. Nowhere is this development as evident as in the area of climate change. International efforts to keep pace with it, under the umbrella of the United Nations Framework Convention on Climate Change,

¹⁴ *Ibid.*, 5–6.

which opened for signature at the Earth Summit in 1992, have limped forward at best. Bickering between the industrialized world, led by the United States, and the rapidly industrializing emerging powers, led by China, India, and Brazil, has occurred against a backdrop of belief not just in the sustainable development but also in the sustainable *growth* of the world economy. Technological optimism and belief in free markets are in ascendance, even as climate forecasts worsen.

Yet sensible, coordinated actions in the face of pressing environmental challenges remain as important today as ever. What is to be taken from the Ehrlich–Simon wager, as we look to the future of environmental action? Is the growing cadre of activist climate scientists and ecologists who advocate urgent and far-reaching action to combat the drivers of climate change and species extinction just another group of “doomsayers”? Will human ingenuity guided by the free market be enough to save the day?

The struggle to determine what constitutes “sensible environmental action” continues in the academy and in policy circles. A new “ecomodernist manifesto,” with clear echoes of Simon’s position, has been making the rounds. It still clings to the notion that “[to] the degree to which there are fixed physical boundaries to human consumption, they are so theoretical as to be functionally irrelevant,” proposing the easing of environmental concerns through a technology-driven “decoupling” of human activity from reliance on natural processes.¹⁵ For its part, the neo-Malthusian position of Ehrlich finds current, though less bombastic, expression in the writings and activism of figures like McKibben, Hamilton, and Klein, among others.¹⁶ Ehrlich himself continues to fulfill the “eco-prophet” role that Sabin ascribes to him, arguing regularly and loudly that his pronouncements from the 1970s need only a little more time to materialize.

The two sides in this debate—technological optimists/market liberals versus the proponents of technological and capitalist control—continue to delight in fierce intellectual exchange. Yet even though

15 See John Asafu-Adjaye et al., “An Eco-modernist Manifesto” (April 2015), available at <http://www.ecomodernism.org/manifesto/>.

16 See, for instance, Bill McKibben, *Maybe One: The Case for Smaller Families* (New York, 1998); Clive Hamilton, *Requiem for a Species: Why We Resist the Truth about Climate Change* (London, 2010); Naomi Klein, *This Changes Everything: Capitalism vs. The Climate* (New York, 2014).

Prometheus and Cassandra enjoy locking horns with each other, the old debate has grown stale. Too much is at stake to take comfort in blind adherence to well-worn arguments, particularly now that environmental questions have become the stuff of political ideology in the United States, not just scientific investigation, and both sides of this debate can claim a share of the truth.

Sabin's plea for moderation, and an appreciation for both Ehrlich's and Simon's positions, seems a sensible starting point for a new era of environmental action, though in the context of the embittered political landscape in the United States, moderation is difficult to imagine, let alone generate. Fights over environmental matters remain fierce and deeply partisan. Environmental action no longer has the widespread support that led 20 million Americans to participate in the first Earth Day activities. This lack of shared environmental sentiment seems only to encourage further polarization. Those opposed to any serious action on climate change pounce even on the measured and carefully parsed projections of groups such as the Intergovernmental Panel on Climate Change, using any possible loophole, expressed in probabilities and degrees of certainty, to suggest that the scientific community lacks credibility. Any shades of grey are subject to the machinations of those attempting to gain the upper hand by painting complex situations black or white.

But the positions of Ehrlich and Simon permit a middle ground. Simon was absolutely right to claim that technological development has worked miracles for the human condition as well as for the environment during the latter half of the twentieth century. He undersold, however, the extent to which such advances were the result, at least in part, of governmental regulations and institutions that Ehrlich and his supporters proposed. Likewise, Ehrlich was clearly justified in warning about the ecological dangers inherent in an unchecked and unthinking expansion of industry. His stark pronouncements of impending doom, however, obstructed responsible dialogue about the environment; those seeking to oppose environmental action had only to point to his failed prognostications. Simon was a useful foil for Ehrlich's incorrigibly apocalyptic vision, celebrating the human capacity for innovation in the face of great challenges.

Mainstream scientific assessments of climate change, ocean acidification, species extinction, disruption of the nitrogen cycle,

and a variety of other global environmental dangers suggest that humanity's road ahead will be a rocky one. The many proponents of Simon's work who continue to deny the need for serious and committed action in response to these dangers are performing a disservice to the scientific tradition upon which his positions were based. By the same token, none of us can afford to dismiss Simon's untiring industriousness, nor his optimism about the ability of humankind to develop creative responses in the face of overwhelming challenges, as we search for ways to channel the best of ourselves into the work to come.

