

Can Capitalism Save the Planet?

On the Origins of Green Liberalism

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In a 1992 speech commemorating Earth Day, Bill Clinton urged Americans to reject “the false choice” that environmental responsibility had to come at the expense of the economy. In the world according to Clinton, it was possible “to bring powerful market forces to bear on America’s pollution problems.” The speech is vintage Clinton, shot through with his signature triangulation. “I believe it is time for a new era in environmental protection,” he said, “which uses the market to help us get our environment back on track—to recognize that Adam Smith’s invisible hand can have a green thumb.”¹

Clinton’s market-based approach to environmental reform has proven enormously popular in this brave new world of carbon offsets and emissions trading. Even Bill McKibben, one of the most prominent environmentalists in the world today, seems imprisoned within it. Rejecting the maximizing imperatives at the core of capitalism, McKibben in *Deep Economy: The Wealth of Communities and the Durable Future* made a case for moving beyond “hyper-individualism” and embracing local economies centered on farmers’ markets and other ways of bringing neighbors together. But he did not suggest any fundamental structural change. “Shifting our focus to local economies,” he writes, “will not mean abandoning Adam Smith or doing away with markets. Markets, obviously, work.” Buying a local tomato, he was at pains to point out, “*doesn’t* require that you join a commune or become a socialist.” In a more recent essay titled “The Greenback Effect: Greed Has Helped Destroy the Planet—Maybe Now It Can Help Save It,” McKibben takes his market

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fetishism still further. "Markets are powerful," he admits. All we must do is refine our use of them by building in the information they need to function to address global warming and other ecological ills. To those who argue that we need to go "beyond capitalism" to solve our environmental woes, McKibben has this response: we cannot wait for structural change. It takes too long and we simply cannot risk delay, not with the atmosphere furiously warming. "Markets are quick," he writes. "Given some direction, they'll help."²

The love affair with markets comes alongside other more unrestrained testimonials to the virtues of economic growth. Consider, for example, the recent publication by Ted Nordhaus and Michael Shellenberger of their grandly titled book, *Break Through: From the Death of Environmentalism to the Politics of Possibility*. Nordhaus and Shellenberger spent their lives working for environmental organizations but up and quit after realizing that the "pollution and regulation framework" of the mainstream environmental movement just could not work any longer.³ The environmental movement needs to die and on its ashes must arise a new political force graced with a more positive rhetorical tone and a respect for how economic growth can contribute to environmental ends. In pronouncing the old environmentalism dead, Nordhaus and Shellenberger seem willing to narrow the field of environmental politics to the point at which only those with the spending power and the economic freedom to participate are at all likely to play a role. In their postenvironmental world, grassroots working-class efforts, for example, seem to play no part, which makes one question precisely whose interests their agenda would advance.

The argument in *Break Through* rests in part on a mechanistic understanding of the history of environmentalism. The authors assert that environmentalism was born in the 1960s (and not the 1930s) because of the rise of affluence. Free enterprise gave birth to the U.S. environmental movement as people, no longer concerned with feeding or sheltering themselves, had the luxury to worry about environmental amenities. And presumably if rising wealth spawned environmentalism, the current environmental movement can recruit a new form of economic development to its cause. Explicitly arguing for a "pro-growth agenda," they believe that capitalism, if not regulated out of existence, can solve our ecological woes.⁴

Putting aside the gross economic determinism of such an analysis, one thing is clear: green liberalism is all the rage today. Green liberalism is the idea that market forces combined with individuals all doing their part can save the planet.⁵ The notion that environmentalism ought somehow to be connected to market imperatives goes back a long way, arguably as far back as the efficiency-minded conservation movement of Theodore Roosevelt and Gifford Pinchot. But green liberalism in its modern incarnation is a more recent phenomenon that unites a faith in the ability of both price mechanisms *and* individual (consumer and investor) initiative to rescue the earth. Economic freedom and pragmatic individual action stand at the core of this ideology.

Green liberalism is at the root of much that happens in the lives of Americans today. It is the philosophy that consumers discover in the sprawling aisles of Whole Foods supermarket, with its organic baby carrots, snack food, and beer. It is the driving force behind the new kind of consumerism that finds shoppers eager for less chemicals—fewer pesticides and artificial fertilizers—in their food and even on their lawns. It is the philosophy that helps explain why Americans are flocking to Wal-Mart and Home Depot for compact-fluorescent light bulbs, driving who knows how many miles in the name of energy efficiency. A world of number one and number two plastic, working itself into a lather over how to sort its bottles. A world that has Al Gore, who has perhaps done more than any other single human being to publicize the perils of global warming, running out to buy carbon offsets so he can heat his swimming pool.

It is hard to imagine that a system so good at producing wealth and so poor at distributing it, so steeped in the commodity form and bent on bringing everything from land to water to air into the world of exchange, is likely to be turned around to save the earth without a great deal of reform. But a more interesting question for the historian is how green liberalism came into vogue. When did the idea that markets and individual actions working together on behalf of nature come into being? And why? Those are historical questions that deserve our attention in this world of eco-friendly bathroom cleaners.

Consumers of the World Unite!

Green liberalism originated with the more general loss of faith in political action common among some segments of the counterculture. Its canonical text, if we can call it that, was the *Whole Earth Catalog* that, as the historian Andrew Kirk explains, rested on a form of environmental pragmatism placing individual responsibility at its core. Stewart Brand masterminded the project. Brand believed in the virtues of “individualistic ecological living.” The future would rest on a change in lifestyle, not on regulation or protest. Initially published between 1968 and 1971, the *Whole Earth Catalog* was, as Brand said in 1990, “a book of tools for saving the world at the only scale it can be done, one hand at a time.” For Brand and his colleagues, retrofitting one’s toilet was as revolutionary an act as joining a street protest against the corporate domination of foreign policy. “Peter Warshall’s *Septic Tank Practices* (1973) was just as revolutionary a book as *Das Kapital*,” Kirk writes, “or more so because of its immediate implications and practicality.” “Consumers of the World Unite” could easily have been Brand’s motto. Or as Brand himself put it in 1971: “Individual buyers have far more control over economic behavior than voters.”⁶

The *Whole Earth Catalog* formed part of a larger trend in environmental thinking that came to be called the “appropriate-technology” movement. The economist E. F. Schumacher was one of the most important thinkers behind this new movement. Compared with the lives of those in the counterculture who embraced some

of his ideas, Schumacher's life differed and revolved chiefly around the question of how to revolutionize state politics in the quest to make it less harmful to nature and to people. Born in Bonn in 1911, Schumacher early in his career worked to help craft a social security system used by the British Labour government as a blueprint for its welfare-state reforms. Schumacher then went on to spend a generation working as a civil servant for the British National Coal Board. In his work with the board, he became an advisor to governments around the world; his travels made him increasingly concerned with the lives of the poor. "I am interested in the poor," he would say. "I've always found that the rich can look after themselves, they don't need me."⁷ By the 1960s, Schumacher, in seeking to solve the problems of poverty in developing nations, coined the notion of "intermediate technology." The idea was to design a set of technologies more productive than the current methods available in poor countries but less capital intensive and hence cheaper than the technologies in the industrialized world. An example involved employing many more people in, say, mini-refineries as opposed to large-scale enterprises. Schumacher always put people first and believed firmly that any new technology must, above all, create jobs.

While in his sixties, Schumacher published *Small Is Beautiful: A Study of Economics as if People Mattered*, a book that reflected his skepticism about the basic principles of economics. The book reads more like a political manifesto than an economics textbook. The study challenged the growth imperative in a world of finite resources and called for a new form of economic organization based on collective ownership and technologies that would create meaningful work for people under "conditions of human dignity and freedom." Inspired by Buddhism, Schumacher advocated nonviolence with respect to both environmental and social relations. "A population basing its economic life on non-renewable fuels," he wrote, "is living parasitically, on capital instead of income." This meant committing a crime against nature, "which must almost inevitably lead to violence between men." In the final chapters of the book, Schumacher takes a more radical turn, urging the expropriation of private property in large enterprises through nationalization. He proposed a decentralized form of socialism based on "semi-autonomous small units" that could be coordinated, if necessary, by a centralized planning authority. Nationalized industries were above all meant to serve the public interest, to provide meaningful work for people, but presumably not at the expense of the environment. The book became a best seller and would eventually be translated into fifteen languages.⁸

Schumacher's ideas helped inspire the appropriate-technology movement of the late 1960s and 1970s. But as the movement unfolded, it set aside the political questions Schumacher raised about how best to organize production so as to prioritize the health of both democracy and ecology. Instead, the driving idea behind the evolving appropriate-technology movement was more apolitical: individuals could adopt small-scale technology and through countless smart, individual decisions forge a path to a greener and more sustainable economic world. People such

as Amory Lovins, a physicist who advocated for small-scale, self-sufficient energy systems, and Brand seemed less interested in the larger political questions that motivated Schumacher. Lovins's most famous statement on his green thinking in the 1970s came in the form of an essay in *Foreign Affairs* titled "Energy Strategy: The Road Not Taken?" Although acknowledging that "economic answers are not always right answers," Lovins wrote that "properly using the markets we have may be the greatest single step we could take toward a sustainable, humane energy future." While Lovins admitted that "there are things the market cannot do, like reforming building codes or utility practices," he was already revealing his true inclination for sketching out "technical fixes" and calculating "end-use efficiency."⁹ He was far less interested in asking bedrock political questions about the undemocratic effects of the industrialized world's rampant consumption of finite resources. As Kirk has put it regarding the earliest green liberals, "politics always took a back seat to ideas and tools."¹⁰

The dominant themes of individual initiative and consumer choice emerging with countercultural environmentalism found expression in one of the most enduring children's stories of the era: Dr. Seuss's wildly popular *The Lorax*, published in 1971. The story is an environmental parable that features a captain of industry named Mr. Once-ler and his battle with a forest of Truffula trees. The Once-ler is opposed in his efforts by the Lorax, an odd creature resembling a South American emperor tamarin. Eventually the Once-ler in his quest for trees to make clothes cuts down the entire forest. But in the end, he recognizes that he has made a terrible mistake. He recruits a little boy to go out and plant the last tree seed left to help start a new forest.

The political scientist Michael Maniates, in trying to explain the enormous popularity of *The Lorax*, argues that the story resonates in part because of "its overarching message of environmental stewardship and faith in the restorative powers of the young." But another reason for its success has to do with the book's assumption that environmental tragedy is the result of "individual shortcomings." Those deficits are "best countered by action that is staunchly individual and typically consumer based." That is, "enlightened, uncoordinated consumer choice" — planting trees, changing light bulbs, modifying toilets, much as the appropriate technologists suggested — would help etch a path to environmental enlightenment.¹¹ In this understanding of environmentalism, not systemic forces but individual decisions were the root cause of environmental problems. Bad apples, in other words, remained the true source of environmental woes; individual responsibility would lead the way toward reformation. What had emerged by the early 1970s was one of the core principles of green liberalism: individuals pursuing their own best interests could create a sustainable society. Here was a form of liberalism that Adam Smith would have appreciated — self-interested individuals contributing to ecological harmony, as opposed to the economic growth that he championed.

Liberalism's New Clothes

The countercultural emphasis on individual responsibility mirrored the newly emerging neoliberal agenda with its vision of democracy rooted in an appeal to personal freedom, disingenuous as it may have been. Green liberalism, in other words, was shaped by changes in the larger political culture. The old liberalism had its origins in the Great Depression of the 1930s, which spawned a new world economic order in which the state functioned to make sure that the economy helped ensure full employment and the more general welfare of the citizenry. Franklin Delano Roosevelt redefined *liberalism* to mean a political philosophy centered on an activist state. This understanding of the term contrasted with the version promoted by Smith and his disciples in the nineteenth century. They, of course, held a more skeptical view of government. Under Roosevelt's understanding of liberalism, government combined with Keynesian economic policies would tame the market to prevent another disastrous depression.

The changing political world alone, however, could not lift the United States from the economic downturn. It would take an unprecedented military buildup to do that. Defense spending for World War II, the Cold War, the Korean War, and the Vietnam War transformed a workforce with 17 percent unemployment in 1939 into one with close to full employment by the 1960s. In large part the federal government, by arming itself to the teeth, produced the golden age of capitalism—the postwar expansion that saw the gross national product double in the fifteen years after 1945.¹² By the late 1960s, however, the postwar boom was running out of steam. Wages during the 1960s outstripped productivity gains, and this trend combined with competition from abroad dampened corporate profits. The 1973 oil shock teamed up with a raft of regulatory reforms—environmental, occupational, and consumer-protection laws—to weaken corporate balance sheets still further. “These were the conditions,” the economist Robert Pollin has written, “that by the end of the 1970s led to the decline of social democratic approaches to policymaking and the ascendancy of neoliberalism.”¹³

Now on the defensive, U.S. business sought to promote the ideas of neoliberalism in the larger political culture. The Austrian philosopher Friedrich von Hayek and the U.S. economist Milton Friedman styled themselves liberals in the sense that they believed in the inherent virtue of personal freedom. They remained adamantly opposed to state intervention in the workings of the economy and objected to Keynesian theory. They believed instead that the market's invisible hand ought to govern all human behavior. Although Hayek and Friedman had been expounding their views for decades, only in the 1970s did they both win Nobel prizes in economics (Hayek in 1974 and Friedman in 1976). The awards signaled the power of their ideas in the mainstream political world.¹⁴

The neoliberal program involved a restructuring of the state in the name of corporate freedom, not personal freedom as promoted. It began under Jimmy

Carter, who helped ailing industries, including the airlines and trucking, by making the first foray into deregulation. Then, as the historian Sean Wilentz notes, deregulation under Ronald Reagan “became an all-out pro-business crusade.”¹⁵ Regulations were thrown to the wind. The axe came down on health and safety laws, as well as on regulations that supposedly restrained competition. Industry was left to regulate itself through organizations such as the American National Standards Institute, a nonprofit group (founded in 1918) that codified and promulgated regulations favorable to business.

Neoliberalism rested on what the economist and former member of the Clinton administration Joseph Stiglitz has called the ideology of “market fundamentalism.”¹⁶ But that does not begin to explain the complexities of this new economic and political philosophy and, in particular, its obsession with individual responsibility. It was Margaret Thatcher—along with Reagan one of the chief representatives of neoliberalism—who said in 1987: “There’s no such thing as Society. There are individual men and women, and there are families.”¹⁷ What she meant, explains the geographer David Harvey, is that “all forms of social solidarity were to be dissolved in favour of individualism, private property, personal responsibility, and family values.”¹⁸

Under the neoliberal paradigm, the importance of personal responsibility rose in proportion to the sway that the market held over life. In this sense, the year 1996 amounted to something of a watershed. It was no accident that welfare reform—signed by President Clinton in 1996—bore this official title: Personal Responsibility and Work Opportunity Reconciliation Act. The bipartisan legislation signaled a victory for those who viewed poverty as the result of individual failings and not of larger structural problems with the distribution of wealth and income. As Ellen K. Scott and Andrew S. London write, the “logic of individualism—the view that poverty is a problem of cultural deficits and lack of motivation rather than of an unequal distribution of power and wealth—became largely uncontested in policy arenas.”¹⁹ A steelworker’s job loss was no more than his own little personal market failure, even if larger structural forces—plant closings, say, brought on by overseas competition—were to blame. Such a supercharged ideological environment represented fertile ground for the growth of green liberalism. The changing political culture, in other words, welcomed an environmental philosophy built on market worship and individual initiative.

Give Me Liberty or Give Me Recycling

At the core of green liberalism stands what can be called the recycling ethic, perhaps the surest sign today of virtuous environmental behavior. The history of municipal recycling thus proves instructive. Recycling constitutes a profoundly individuated response to the problem of waste. It works to the advantage of industry by pushing the costs of business onto the public to bear. It also shields industry from any restrictions on its methods of production.

Less of a need existed for municipalities to deal with solid waste issues before World War II. Consider the case of beverage containers. Before the war, industry itself shouldered the burden of dealing with empty bottles. Until the late 1940s beer came in bottles that could be used repeatedly, perhaps as many as thirty times. And soft-drink bottlers sold the bulk of their beverages the same way, even into the 1950s. Nonrefillable cans became available as early as the 1930s, but it was World War II that helped popularize them as manufacturers shipped both cans and one-use bottles overseas to supply the troops. After the war the steel and can industry promoted beverage cans.²⁰ Meanwhile, beverage producers increasingly favored one-way containers because they helped them consolidate market share. By obviating the need to deal with empties, these new forms of packaging allowed national brewing companies to compete more effectively against local breweries. Now the companies did not have to be located near their customer base to deal with the leftover containers — annihilating space with aluminum.²¹ By 1970 one-way containers had made a stunning inroad into the market, accounting for 40 percent of soft drinks and 76 percent of beer sold in packages.²²

Efforts to combat one-way containers go back as far as the 1950s. In 1953 Vermont farmers, concerned that cows were swallowing glass bottles thrown into fields, united to compel the state legislature to ban these containers. In response, the American Can Company and Owens-Illinois Glass Company, pioneers of throwaway cans and glass bottles, formed an advocacy group called Keep America Beautiful. Coca-Cola, PepsiCo, the U.S. Brewers Association, and others with a stake in promoting convenient throwaway containers joined them. The group began a media campaign targeting the corrupt behavior of individual “litterbugs.” Calling littering a “national disgrace,” William C. Stolk, the president of the American Can Company, openly opposed legislative fixes to the problem.²³ Recruiting schools, churches, and garden clubs to its cause, the group tried to forestall any more industry regulation and instead supported fines and jail for littering. They even succeeded in persuading Vermont legislators to overturn its bottle ban in 1957.

Keep America Beautiful produced one of the most successful public service announcements in history. The 1971 commercial featured the actor Iron Eyes Cody playing a Native American who cries at the sight of litter tossed in the road. “People start pollution,” the ad declared. “People can stop it.”²⁴ Not a can or bottle could be found in any of Keep America Beautiful’s commercials because of the profits that could be made on them.²⁵ Instead of focusing on the systemic problems with industry’s packaging decisions, the ads located responsibility at the individual level. Litter became a matter of personal responsibility while industry practices such as planned obsolescence — which made the perpetuation of waste central to the success of postwar consumer capitalism — went unexamined.²⁶

Seeking to stem the flood of disposable items, Oregon in 1971 imposed a five-cent refundable deposit on the bulk of beer and soft-drink containers. The idea was

to give people a financial incentive to return the containers for reuse or recycling. Vermont later followed suit. In 1973 Minnesota passed an even stronger measure that tried to restrict the amount of packaging used by industry. "The recycling of solid waste materials is one alternative for the conservation of material and energy resources," read the law, "but it is also in the public interest to reduce the amount of materials requiring recycling or disposal." The law put the onus on industry—not on the people of the state—to engage in "materials conservation."²⁷ Though the law lacked teeth, it represented precisely the approach toward solid-waste issues that industry wished to avoid.

Calls for a federal bottle bill surfaced repeatedly in Congress beginning in 1970.²⁸ In 1973 twenty-eight states introduced bottle-bill legislation.²⁹ One estimate from 1980 estimated that fourteen hundred bottle-deposit laws had been put forth at the local, state, and federal levels in the 1970s.³⁰ As of 1983, however, there was no national law, and just nine states (Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont) had bottle-deposit laws on the books—a testament to industry's clout on the issue. Industry's successful counter-attack emerges as even more stunning in light of the evidence, including two General Accounting Office reports, showing that national bottle-bill legislation would reduce "litter, solid waste, and energy and raw material use."³¹

Companies like Anheuser-Busch, Coca-Cola, PepsiCo, and others in the beverage industry opposed (and continue to oppose) bottle bills for a variety of reasons. Chief among these is that curbside recycling works as a corporate subsidy: the makers of the product do not bear the cost of dealing with packaging waste. And that is precisely how industry wants the system to operate. As an official from the American Plastics Council put it in 1993, "If I buy a product, I'm the polluter. I should be responsible for the disposal of the package."³² But of course individuals themselves are also not bearing the cost; that is amortized to people all across the country. Bottle bills, in contrast, shift the cost of dealing with beverage waste from the taxpayer to the producers of the beverages. Distributors and bottlers would have to pay the cost involved in collecting the deposit containers. Industry could live with the reduced profits or pass the cost along to consumers in the form of a price increase. No wonder the beverage industry is such a fan of curbside recycling.

Industry has largely succeeded in its anti-bottle bill exploits by adopting three strategies: splitting off labor from the environmental movement, painting bottle bills as a threat to consumer freedom, and plugging municipal recycling. In a *New York Times* op-ed titled "Leisure Class and Throwaway Glass," Theo Alexander of the American Can Company and his wife, Judd, who according to the byline was "active on their town's beautification commission," noted that during a 1978 bottle-bill hearing in Connecticut, no one represented the users of throwaway containers. "The typical consumer of both beer and soft drinks is urban, male and blue-collar," they wrote. "The membership of the elitist proponent organizations show a differ-

ent profile: suburban, female, well-to-do and leisure class.”³³ Returnable containers, they went on to explain, were not a problem if you had a big basement to store them in, presumably not a luxury in those beer-guzzling working-class households. The op-ed came after years of recruiting unions in states with major bottling plants to industry’s side.

Nor presumably was the working class in the 1970s interested in arming the state for any further intrusion into their lives, which perhaps explains why one anti-bottle bill group took as its name the Committee against Forced Deposits.³⁴ Industry tried to fashion bottle bills as a threat to consumer freedom. William May of the American Can Company went so far as to call proponents of measures restricting the growth of packaging “communists.” Donald Kendall, the president of PepsiCo, wrote to the Environmental Protection Agency in the 1970s to complain about its support of a national bottle bill: “Your position defies and denies the free will of the people expressed by their free choice of containers.”³⁵

But it was municipal recycling and “resource recovery” that became the industry mantra. As environmentalism climaxed during the 1970s, companies sought to foreclose on more stringent regulatory measures that would have limited production while leaving the pollution burden for consumers and the public sector more generally to deal with. “The real answer to product disposal,” wrote the director of communications for the American Can Company, John F. McGoldrick, in a thinly veiled effort to shed costs, “lies in resource recovery and solid-waste management, not in a token return to a refundable system.”³⁶ Some companies even set up their own recycling centers as models of good environmental citizenship.³⁷ The real goal, however, was to get municipalities to climb on board the recycling bandwagon. “The answer to our waste problems is total solid waste resource recovery,” explained Jule Roll of the New York State Allied Beverage Industries Employees Environmental Work Force in 1977.³⁸ Charles S. Mack of the New York State Food Merchants Association concurred. “Recycling and litter-control programs could deal with all litter, not just part of it,” he wrote in 1981.³⁹ In an attempt to beat back a New York bottle bill in the early 1980s, industry cleverly dubbed a recycling and cleanup program to be paid for with a tax of five cents *per case* on beverages, “Total Litter Control” or TLC.

The rise of municipal recycling gained further ground during the Reagan administration. Reagan undercut the incineration industry by reducing its subsidies and thus helped steer municipalities further toward recycling programs. Municipal recycling boomed in the 1980s and early part of the 1990s in the wake of reports about the travails of a barge named the *Mobro 4000*. In 1987 the barge, containing trash from Long Island, set sail in search of a place to deposit its load. According to *Newsweek*, the embattled *Mobro* was “to the trash crisis what the sinking of the *Lusitania* was to World War I.”⁴⁰ A surge in interest in recycling soon followed. Municipalities pledged to recycle a given percentage of trash by some specified date.

By the early 1990s domestic recycling by weight had increased roughly three times since the 1970s.⁴¹

By then the perils of curbside recycling had grown increasingly apparent. In 1992 a report surfaced in California about fifty thousand pounds of meticulously collected and separated plastic that had to be dumped in a landfill because of the saturation of the market in recycled plastic. The market failure constantly jeopardizing curbside recycling was aggravated further by federal tax policies supporting the use of virgin materials.⁴²

Meanwhile, efforts to pass a national bottle bill failed. In 1992 committees in both the House and the Senate voted against federal legislation. Coca-Cola, Philip Morris, and others in the beverage industry spent \$4 million between 1989 and 1992 to defeat the measures.⁴³

In his 1992 Earth Day speech—the same one in which he gave Adam Smith the green thumb—Clinton proclaimed his support for national bottle-bill legislation. The trade magazine *Beverage World*, however, told industry not to worry. Forecasting robust growth for curbside recycling in the near future, the magazine reported that Clinton had always sided with the Arkansas soft-drink industry in efforts to defeat bottle bills.⁴⁴ On the campaign trail Clinton purportedly reassured a representative from the National Beer Wholesalers Association, saying that a national bottle bill would damage recycling and only add to the federal bureaucracy.⁴⁵ Ultimately, the Clinton administration never came through on its campaign promise for a national bottle bill.

Instead, Clinton signed an executive order in 1993 requiring government procurers to use recycled products.⁴⁶ The following year, the White House instituted its very own recycling program. “The first family has just received recycling bins in their residence so they can begin sorting,” said Cathy Zoi of the White House Office of Environmental Policy.⁴⁷ The candidate who said he would put people first instead wound up putting personal responsibility ahead of any substantive regulatory reform. By advocating recycling Clinton drove mainstream environmentalism further into the embrace of green liberalism.

Naturalizing Capitalism

Clinton’s cave-in on the national bottle bill can hardly surprise in light of his background. In 1985, in the wake of Walter Mondale’s crushing election defeat, Clinton played a key role in organizing the Democratic Leadership Council (DLC). Joined by Bruce Babbitt, then the governor of Arizona, Chuck Robb, the governor of Virginia, and the Georgia senator Sam Nunn, among others, the DLC orchestrated a rightward shift in the Democratic Party. Jesse Jackson dubbed the DLC, “Democrats for the Leisure Class.”⁴⁸ Once in office, Clinton largely carried through on his neoliberal agenda. Losing faith in the role that government could play in the workings of the economy, the so-called New Democrats, led by Clinton and Gore, fell

in love with markets and deregulation. Seeking to distinguish themselves from the Democrats of the past, the New Democrats tried to outdo their Republican predecessors in the deregulatory arena. They led the charge, for example, in the deregulation of telecommunications and contributed to the great bubble that burst in 2001.

Into this deregulatory environment stepped Paul Hawken, the founder of Smith and Hawken, the garden supply company, and before that a contributor to the *Whole Earth Catalog*. If the appropriate technologists sought to rescue the environment “one hand at a time,” to quote Brand, the green liberalism ascendant by the time of people like Hawken sought to do so one investor at a time. Writing after the fall of communism, Hawken in *The Ecology of Commerce: A Declaration of Sustainability* tried to forge a “third way” in opposition to what he viewed as simply unrestrained capitalism, on the one hand, and failed regulatory policies, on the other. His was a path “that restores the natural communities on earth but uses many of the historically effective organizational and market techniques of free enterprise.”⁴⁹ As Hawken saw it, government regulation was no match for powerful industries. Instead, business needed to regulate itself and above all honor the true logic of the market. He meant for companies to incorporate into their design decisions an effort to deal with the full costs of manufacturing a given product.

Hawken’s understanding of commerce bears scrutiny because he sees it in fundamentally ahistorical terms, as simply part of “the natural impulses in society.” Seemingly the market has always existed and will continue to exist forever. Given that circumstance, no environmental program can succeed if it “requires a wholesale change in the dynamics of the market.” Such an ahistorical understanding of the market’s role in society suggests that we have no choice but to embrace capitalism. As Hawken continues: “We have to work with who we are,” by which he means people who live and die at the altar of price. It is but a short leap to the conclusion that what is natural is also beneficial and thus benign. Given the history of capitalism, it is a very suspect conclusion, to say the least.⁵⁰

Emboldened by the success of his book, Hawken teamed up with Lovins and the latter’s wife, Hunter, to write a book they titled *Natural Capitalism: Creating the Next Industrial Revolution*. The veteran appropriate technologists argued that capitalism had run its course, reaching the limits of the available resource base. A new mode of production they called “natural capitalism,” which would factor the environment into all economic equations, was destined to take root. This new economic order would come about chiefly through the increasingly efficient use of natural resources. The authors provide numerous examples—from transportation technology and building methods to urban planning and agriculture—of ways in which natural resources could be used vastly more efficiently than at present. A parade of innovations unfolds across the book—so-called Hypercars that weigh little and use hybrid-electric technology, computer software for saving power, and a giant pillow stuffed with human hair, invented by a hairdresser, for soaking up oil spills.⁵¹

If the transformation planned by those in the appropriate-technology movement would come from individuals reading the *Whole Earth Catalog*, the next industrial revolution, according to these authors, will come by virtue of entrepreneurs recognizing the error of their ways. Then they would invest in green technologies to help them pursue their financial best interests and promote environmental sustainability at the same time. This industrial revolution will come under the auspices of capitalism, hence the title of their book. The authors, unsurprisingly, have little to say about wage labor, despite an interest in labor *productivity*. Nor do the authors envision the demise of market relations. Rather, they seek to make markets work in more ecologically sustainable ways. “The goal of natural capitalism,” they write, “is to extend the sound principles of the market to all sources of material value, not just to those that by accidents of history were first appropriated into the market system.”⁵²

Political transformation is off the table. Instead, these neo-appropriate technologists argue that the system can be reformed from within. Though it is very hard to imagine what incentive a corporate executive would have to engage in more ecologically sustainable behavior if it did not financially benefit shareholders. Or as the historian Eric Schatzberg has written, “Nowhere in the book do the authors acknowledge that such a transformation of market capitalism would require a political process, one that would directly challenge the power of many of the industries that are supposedly heading down the path of natural capitalism.”⁵³ Moreover, the book ignores the growth imperative at the core of capitalism — natural or otherwise. Indeed, the book relies on the subtext that limits can be transcended and the quest for economic growth can proceed through natural-resource efficiency, say, through carbon-free technologies. But using more soil, water, and forest in a carbon-free manner will not solve other ecological problems such as species extinction. In the end, natural capitalism does not address the fundamental structural problems at the core of the capitalist economic order.

Hot Flat Wrong

The idea that markets and individual initiative can save the world has reached a fevered pitch in the past couple of years. Exhibit A is the wild success of Thomas Friedman, the chief publicist of the neoliberal order. In his book *Hot, Flat, and Crowded: Why We Need a Green Revolution — And How It Can Renew America*, Friedman argues that the conjunction of climate change, globalization, and population growth present a unique opportunity for Americans. In his earlier work, Friedman explained that a flat world is one in which technological change combined with global markets could expand economic opportunity and bring millions out of poverty into the middle class.⁵⁴ In his new book he seems more worried about the consequences of this expanded bourgeoisie, deliriously going out and buying automobiles and air conditioners.

The global crisis in environmental relations with its effects on everything from biodiversity to forest cover—substantial as it is—is nothing that the capitalist system cannot handle. The new project in the United States—“Code Green,” as Friedman calls it—is about creating the right market incentives for green innovation to take place. At almost every turn Friedman seeks to naturalize the free market. As he explains, only the “free market” can lead us down the path to clean energy. “Only the market can generate and allocate enough capital fast enough and efficiently enough to get 10,000 inventors working in 10,000 companies and 10,000 garages and 10,000 laboratories to drive transformational breakthroughs; only the market can then commercialize the best of them and improve on the existing ones at the scope, speed, and scale we need.”⁵⁵

At points in the book Friedman seems to be renouncing the emphasis on individual initiative that also characterizes green liberalism. He makes fun of tracts such as “205 Easy Ways to Save the Earth” and “40 Easy Ways to Save the Planet.” If only environmental reform were so easy, explains Friedman. While urging readers to “personally lead as environmentally sustainable a life as you can,” he also advocates for a more “systemic approach” to environmental reform—reforms such as properly factoring price into the cost of goods and seeing that externalities are absorbed within the financial equation. But since Friedman is not advocating any structural transformation it is impossible to see how, for example, corporations—which are legally obligated to operate in the financial best interests of their shareholders—would relinquish the idea that plants, soil, water, forests, and other natural resources are anything but a form of capital. Nor is it clear how Friedman’s prescription for the world’s ecological ills can come about without renouncing the pro-growth ideology that has governed capitalism since at least the nineteenth century. What Friedman means by fundamental change is, at most, “changes in our lifestyle,” not in the prevailing mode of production.⁵⁶

In Friedman’s “Code Green” world, more companies would presumably behave like Wal-Mart, which has been greening its trucking fleet and pushing consumers in the direction of compact-florescent bulbs. On the surface it seems hard to disagree with Friedman’s conclusion that the superstore’s “growth be as green as possible.”⁵⁷ And yet Wal-Mart’s entire business plan centers around a particular strategy of labor and environmental management. Just as anti-unionism has enabled the company to externalize the cost of labor, the company’s push for new roads and drainage systems on the urban fringe for its big-box stores allows it to profit—from public expense—from the high traffic that is the signal feature of the retailer’s success. How likely is it that a company like Wal-Mart will internalize the true environmental and labor costs of its operations when its entire business plan is predicated on externalizing those costs? Will a planet filled with green-thumbed CEOs, bowing down to Smith and his faith in free markets, really be able to address ecological

problems such as global warming, species extinction, and the alteration of the global nitrogen cycle?⁵⁸

Friedman's best-selling prescription for the world is of course a long way from the ideas of people like Schumacher who wrote *Small Is Beautiful* thirty-five years earlier. The popularity of the two books at their various points in time represents the distance environmental politics has traveled over the past several decades. Unlike Friedman, Schumacher, an economist though he was, believed the question of how to reform capitalism in the name of social justice and ecology remained at its core a question of politics. Schumacher put his trust in small-scale economic entities, but he did not believe in small government or small ideas. It might surprise today's devotees of the neoliberal, neo-appropriate-technology worldview that their pioneering intellectual figure reckoned that corporations "live parasitically on the labour of others" and argued for an end to private ownership, at least among large-scale enterprises.⁵⁹ If in these Friedmanesque times such ideas sound like so much Joe Hill pie in the sky, it is worth taking a moment to remember that Schumacher, too, in his day, was a best-selling author—even if his road was not taken.

Notes

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