

Private Ownership

A key element of Libertarians' perspective on environmental policy is private ownership of land. That is because owners have incentive to maximize the value of their property which means maintaining it in a fashion that the market prefers.

Private land trusts and conservation easements are notable examples of ways that private ownership can preserve important resources.

The federal government is by far the largest U.S. landowner. That is antithetical to Libertarians' preference for private ownership. Ideally more of the federal lands are privatized giving owners an incentive to be good stewards of the land.

Indeed, government has little incentive to optimize land and resource use or to be good stewards of the environment. Resource use is often politically-based and government is a significant polluter.

Aggression?

It is arguable that physical harm to people due to pollution caused by others violates the non-aggression principle advocated by Libertarians.

Litigation, Arbitration and Restitution

Litigation, arbitration, and restitution are important elements of an environment policy.

That is because they 1) provide means for parties experiencing environmental harm — due to human activity — to seek compensation for that harm and/or to prevent harm and 2) provide a strong incentive for people and business to take the environment into account when making choices.

Libertarians prefer voluntary arbitration to resolve environment-related conflicts. But, in some cases, litigation may be the only effective way to compensate victims.

Environment



No Government

“Solution” Winner Picking

Government should avoid “winner picking” – of businesses, technologies, or resources – including use of subsidies, tax deductions, tax credits, and special rules and regulations for winners.

Government winner picking is usually too politically based. Winners are often picked based on considerations such as politicians’ and bureaucrats’ preferences and lobbying by well-funded entities rather than rational analysis of benefits and costs.

Often, government winner picking does not lead to the stated or intended goal, or it has unintended negative consequences. It also distorts *market* incentives to develop better solutions. Furthermore, bureaucrats and politicians are rarely held accountable for poor results, partly because benefits and costs accrue over decades, if at all.

Pricing Negative Environmental Externalities

A libertarian environment policy should include a marketplace requiring resource users to pay a price reflecting harm caused during resource exploration, extraction, transportation, processing, distribution, and use.

Economists refer to such harm as “negative externalities” or effects external to resource use.

Examples include human health effects, noise, visual impact, effects on wildlife, infrastructure damage, and lower crop yields.

Harm can be quantified with reasonable accuracy by knowledgeable experts including economists, scientists, and engineers.

Ideally, the price paid for resources reflects the cost for negative externalities, possibly including global climate effects. They also give an important price signal to people to

“do the right thing” – with respect to the environment – when using resources.

Without such pricing and “internalizing” of negative externalities, there is said to be a “market failure” (i.e., the market does not take the externalities into account).

Unfortunately, government is often called upon to address such market failures with arcane and expensive regulations, rules, and restrictions and by solution winner picking, often using political criteria and without a robust benefit/cost assessment.

Estimates of added cost for *energy*, a key source of pollution, range from 20% - 100% or more. The

increased price would be in the form of a tax or fee added to the direct cost.

Additional government revenues should be “revenue neutral” meaning that they are used to reduce or replace other taxes, rather than adding to our already significant tax burden.

The effect of negative externalities is sometimes referred to as the tragedy of the commons.

Commons are resources that we all share as humans and with other life, such as air, water, etc. The tragedy is harm done to the commons by human activity.