

## *Why environmental economists often do not speak the same language?*

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### Introduction

The main goal of the paper is to describe the role of the ethics in the environmental economics as the sub-field of economic science – i. e. to show how and why this so-called “environmental ethics” was integrated into environmental economics, what is the result of this integration and what solution can be found to solve environmental problems if we completely take the ethics out.

In early 70s’, the environmental economics started to be considered as the separate sub-field of the economics. Its main goal was to find solution – considering the current economic system - to increasing environmental problems. At the same time, natural resources and other environmental components (e. g. water, air, forests, biodiversity, etc.) started to be treated as something special within the field of the economic science.

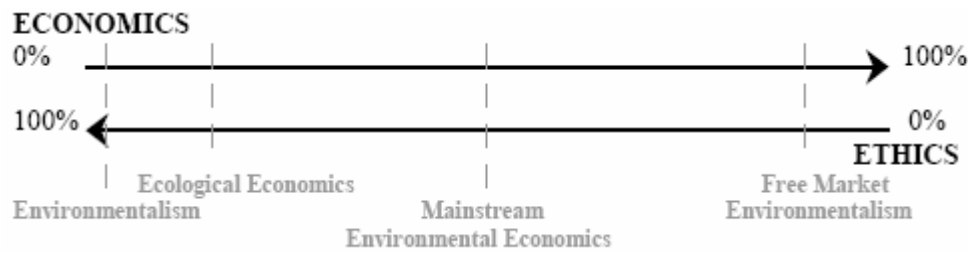
The allocation and consumption of such environmental resources or goods was declared to subordinate to other economic principles than ordinary goods.

According to my opinion, the main reason why the natural resources of all kind have been treated in a different way is the infiltration of moral standings – in this case the environmental ethics – into economics, which was originally considered as value-free science. The extend of this infiltration influences the way in which environmental economists think about the economic system we live in and the solutions they see to protect the environment. Particular stands crystallized over decades. Difference of opinions varies from the general belief in the role of the free-market economy to the absolute confidence of its harmful effects to the environment.<sup>1</sup> Unfortunately, the battle of wills is not often anchored in different economic theoretic school of thoughts (where the discussion on different methodological views or restrictive assumption is possible), but in more or less stronger trust in sacredness of the nature. Over past 40 years, different sub-divisions of the environmental economics arise, as illustrated at the picture bellow.

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<sup>1</sup> E. g. in Anderson and Leal’s *Free Market Environmentalism* (2001) we can read: “In general, free market environmentalism emphasizes the positive incentives associated with prices, profits, and entrepreneurship, as opposed to political environmentalism, which emphasizes negative incentives associated with regulation and taxes. At the heart of free market environmentalism is a system of well-specified property rights to natural and environmental resources.” [Anderson & Leal, 2001, pp. 4].

On the other hand, the according to the key representative of the ecological economics – Herman Daly – the system works in other way: “Traditional free-enterprise economics has relied on an invisible hand, operating in the free market to work things out for the best. [But] ... besides the invisible benevolent hand, which leads self/interest unwittingly to serve the common good, there is the *invisible foot*, which ‘leads self-interest to kick the common good to pieces’. What is needed is public restrain – what Hardin calls ‘mutually agreed upon, mutually coercive rules’ – to preserve our environmental capital and to distribute resources more equitably ... - in order that everyone has enough, but no one has more than his or her fair share.” [Pojman, 2000, pp. 346]



Picture 1: Representation of the ethics in sub-divisions of the environmental economics

Since every ethical insight is simply based on the subjective belief what people should or should not do, it is no surprise that there are so many confusions and misunderstandings between environmental economists belonging to different groups illustrated above.

In following chapters I will try to depict particular features of the environmental ethics and to discuss why they do not comply with main economic principles. I will show which solutions to environmental problems are currently suggested from the position of (mainstream) environmental economists<sup>2</sup> and in which way the ethical insight modify these suggestions. Finally, I would like to briefly show the (into large extend non-realized) potential the environmental economics has if disowning environmental ethics at all.

<sup>2</sup> For better understanding of premises of the „mainstream“ environmental economics see e. g. Tietenberg, T.: Environmental and Natural Resource Economics, 1984; Pearce, D., Turner, K.: Economics of Natural Resources and the Environment, The John Hopkins University Press, 1990; Kolstad, Ch.: Environmental Economics, Oxford University Press, 2000, or Czech publications Sauer, P. a kol.: Základy ekonomiky životního prostředí, VŠE v Praze, 1997, Jílková, J.: „Daně, dotace a obchodovatelná povolení – nástroje ochrany ovzduší a klimatu“, IREAS, Institutu pro strukturální politiku, o.p.s., 2003.